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### Special Plans and Operations

Assessment of the Accountability of Night Vision Devices  
Provided to the Security Forces of Iraq

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INSPECTOR GENERAL  
DEPARTMENT OF DEFENSE  
400 ARMY NAVY DRIVE  
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March 17, 2009

MEMORANDUM FOR DISTRIBUTION

**SUBJECT:** Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq (Project No. D2008-D000IG-0271.001)

We are providing this final report for your information and use. We performed this assessment as part of a series of projects regarding accountability and control of sensitive items procured for and transferred to the security forces of Iraq. We considered client comments on a draft of this report when preparing the final report.

After receiving client comments to this report, we have made the following changes, which are reflected in this report:

- Deleted draft Recommendation 8.b. and renumbered draft Recommendation 8.a. as Recommendation 8 in the final report. We redirected the action for Recommendation 8 in the final report from the Joint Staff J4 to the Army G4.
- We redirected the action from Recommendation 5.e. from DTSA to DSCA.

We request additional comments and information by May 15, 2009, as requested in our response to client comments for each recommendation as follows:

- MNF-I: We request additional information on Recommendations 1.a., 1.b., 3., 4.b., 6.a., 7.b.(1), and 7.b.(2).
- MNSTC-I: 1.c., 4.a., 5.a., 5.c., 5.d., and 6.d.
- Army G4: We request comments to redirected Recommendation 8.
- AMC: We request additional information on Recommendations 6.e.(1), and 6.e.(2).
- CJSOTF-AP: We request comments to Recommendation 6.c.
- DSCA: We request comments to redirected Recommendation 5.e.

If possible, send your comments in electronic format (Adobe Acrobat file only) to [SPO@dodig.mil](mailto:SPO@dodig.mil). Copies of your comments must have the actual signature of the authorizing official for your organization. We are unable to accept the / Signed / symbol in place of the actual signature. If you arrange to send classified documents electronically, they must be sent over the SECRET Internet Protocol Router Network (SIPRNET).

We appreciate the courtesies extended to the staff. Questions should be directed to Mr. Stanley E. Meyer at (703) 604-9130 (DSN 664-9130) or Mr. David Corn (703) 604-9474 (DSN 664-9474). We will provide a formal briefing on the results, if management requests. See Appendix H for the report distribution.

*Thomas F. Gimble*  
Thomas F. Gimble  
Principal Deputy

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# Executive Summary:

## Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq

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### Who Should Read This Report?

Personnel from the Office of the Secretary of Defense, the Joint Staff, the U.S. Central Command and its subordinate commands in Iraq, the Military Departments, and Defense Agencies who are responsible for the accountability and control of sensitive items, including Night Vision Devices (NVDs).

### Background

This report is the third in a series of DoD Office of Inspector General, Special Plans and Operations assessments regarding accountability and control of sensitive items transferred or being transferred to the Iraqi Security Forces (ISF).

We performed the first assessment on accountability and control of munitions being transferred to the ISF in September and October 2007<sup>1</sup>. The team returned to Iraq in April – May 2008 for a second assessment, this time to determine the status of the corrective actions undertaken based on the first report, and to review the Foreign Military Sales (FMS) program and the development of Iraqi logistics and medical sustainability. During the fieldwork, we discovered potentially significant weaknesses in the management of internal controls for NVDs by the U.S. military, and alerted the Commander, Multi-National Force-Iraq (MNF-I) and Commander, Multi-National Security Transition Command-Iraq (MNSTC-I), to those problems<sup>2</sup>.

We conducted the fieldwork for this third assessment in Iraq during October and November 2008. The team assessed the oversight and management of NVDs, and whether current accountability, control, and physical security concerning the distribution of NVDs provided to the ISF was adequate. In the course of our assessment, we reviewed the following areas: contracting and procurement, transportation and storage, U.S. issuance procedures, and the accountability and control support provided by the ISF.

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<sup>1</sup> Report No. SPO-2008-001, “Assessment of the Accountability of Arms and Ammunition Provided to the Security Forces of Iraq,” July 3, 2008 (classified report).

<sup>2</sup> Report No. SPO-2009-002, “Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Sustainment for the Iraqi Security Forces,” December 19, 2008.

## Night Vision Devices

Night vision devices use image intensification technology to capture ambient light and amplify it thousands of times by electronic means. The U.S. military uses NVDs to see the battlefield at night, enabling personnel to maneuver and fight on a 24-hour basis. NVDs are small, lightweight and look like binoculars, monoculars or rifle scopes. Military applications include nighttime infantry, flight, surveillance and sniper operations. The Defense Security Cooperation Agency lists NVDs as one of 16 critical defense articles that require Enhanced End Use Monitoring and increased physical security and accountability procedures. This monitoring is essential to ensure that the Government of Iraq (GoI) is complying with the requirements imposed by the U.S. Government as a condition for the use, transfer, and security of NVDs.



**Figure 1: Aviator Using Night Vision Device**

## Progress Being Made on Night Vision Device Oversight

One of the pillars of U.S. Government strategy in Iraq has been to stand-up an ISF that can plan, conduct, and sustain independent operations. This will enable not only a secure and stable Iraq, but also a more rapid drawdown of U.S. forces. In support of this train and equip mission, MNSTC-I has transferred approximately 50,740 NVDs to the ISF since 2005. Due to the complexities of training and equipping a nascent ISF, while also fighting a war, MNSTC-I did not initially implement certain policies and procedures that could have ensured the accountability and control of these sensitive items.

However, since the first half of 2008, when the Commanders of MNF-I and MNSTC-I became aware of potentially significant weaknesses in the management of internal controls for NVDs, considerable progress has been made in establishing effective oversight of NVDs. Specifically, MNSTC-I is putting in place the essential elements of an Enhanced End Use Monitoring program for FMS-purchased NVDs. MNSTC-I has also issued policy guidance covering the distribution and issuance of sensitive equipment such as NVDs to ISF. And, it has implemented standard operating procedures for End Use Monitoring to include the Golden Sentry and Blue Lantern programs, and Section 1228 of the 2008 National Defense Authorization Act.

Further, the Ministry of Interior (MOI), the Ministry of Defense (MOD) and the Counter Terrorism Bureau (CTB) have signed Memorandums of Agreement covering NVD accountability and control with MNSTC-I.

However, based on our recent assessment visit, we determined that there is still additional improvement needed. We formulated nine new observations and 25 recommendations in the areas of accountability and control.

## **Assessment Results**

As previously stated, since 2005, MNSTC-I has transferred approximately 50,740 NVDs to the ISF. Due to different factors, the current number of NVDs in the ISF inventory is not precisely known. To establish a reliable baseline number, MNF-I should issue guidance directing a complete inventory (by unit, type and serial number) of all NVDs in the ISF, regardless of country of origin, type of NVD or means by which they were purchased.

MNF-I and MNSTC-I have made notable progress in issuing policy guidance and developing standard operating procedures (SOPs) covering the accountability and control of sensitive items. MNSTC-I's Logistics Accountability SOP and End Use Monitoring SOP provide direction for the accountability of sensitive items in Iraq. However, the documents appear to give conflicting guidance and MNSTC-I personnel did not always follow the procedures outlined in them. MNSTC-I needs to reconcile the two SOPs into one document and ensure its personnel adhere to this guidance.

MNSTC-I purchased the vast majority of the NVDs transferred to the ISF through Direct Commercial Sales, many from foreign countries. Additionally, MNSTC-I purchased approximately 19,000 U.S-produced NVDs through Direct Commercial Sales that require routine End Use Monitoring under the Department of State's Blue Lantern Program. MNSTC-I had not developed and implemented procedures for the execution of the Blue Lantern Program to capture these NVD serial numbers. MNSTC-I should ensure that there is "reasonable assurance" that the Government of Iraq complies with USG requirements with respect to the use, transfer, and security of defense articles supplied to the GoI under Blue Lantern, including NVDs.

During an inventory at the Iraq Special Operations Forces Brigade in Baghdad, the assessment team determined that 167 AN/PVS-14 NVDs were not properly recorded on MNSTC-I records. Further, 41 of the 167 AN/PVS-14s were assigned to U.S. Special Operations Forces units in Iraq and were on the Combined Joint Special Operations Task Force property books. MNF-I should determine the origin of these NVDs, how they were transferred to the custody of the Iraq Special Operations Forces, and take the necessary steps to prevent a reoccurrence.

On May 3, 2005, MNSTC-I purchased 1,057 AN/PVS-7 and 32 AN/PVS-10 NVDs for the Iraqi Special Operations Forces. They were shipped to U.S. Special Operations units in the continental United States from late 2005 to mid-2006. To date, only 763 of the AN/PVS-7s and 26 of the AN/PVS-10s have arrived in Iraq and turned over to the Iraqi Special Operations Forces. MNSTC-I did not have sufficient internal controls in place to ensure that all NVDs purchased were delivered to Iraq for turnover to the ISF, which, in this case, reduced the operational capability of the Iraqi Special Operations Forces. The Joint Staff J4 needs to develop a plan to recover or replace these NVDs, thus enabling MNSTC-I to supply them to the Iraqi Special Operations Forces as originally intended.

When U.S. trainers embedded with the Iraqi Special Operations Forces coordinated to send 159 AN/PVS-7 NVDs back to the United States for repair, it was determined that 21 had image intensification tubes that exceeded the capability of approved NVD export limits to Iraq. Those tubes were replaced with tubes that met the export restrictions. The Commander, Army Materiel Command needs to determine if any of the remaining AN/PVS-7 or AN/PVS-14 NVDs in the Iraqi Special Operations Forces inventory exceeds export limitations to Iraq.

At Baghdad Police College, Taji National Supply Depot, the Iraq 11th Division, the Iraqi Special Operations Force, and at the two Location Commands we visited, a system of property books, by serial number, was used to account for NVDs received and issued. However, there did not appear to be any documented written policy or procedures on NVD accountability and control. The Iraqis just knew by tradition “how to do it.” Based upon the Memorandums of Agreement signed between MNSTC-I and the MOI, MOD and CTB, MNF-I should assist and mentor Iraqi Ministry and ISF counterparts to develop and implement Iraqi policies and procedures for NVD accountability and control.

At the time of our visit, the Government of Iraq had no capability in-country to repair damaged NVDs. Furthermore, the MOD, MOI, CTB, or other ISF logistics organizations did not have policy or SOPs for the repair and/or final disposition of damaged NVDs. As a result, many broken and damaged NVDs were not being repaired, disposed of, or replaced, which reduced ISF operational capability. MNSTC-I needs to coordinate with the MOI, MOD and CTB to establish a maintenance capability for ISF NVDs and to mentor the ISF’s development of policy and SOPs for NVD repair or disposition, whichever is appropriate.

Finally, the MNSTC-I Logistics Military Assistance Team at the Kirkush Military Training Base (KMTB) Location Command maintained control and custody over all classes of supply, except ammunition. This slowed the mentoring of the Iraqis KMTB staff in the overall operation of a location command and the specific accountability procedures required for sensitive items. MNSTC-I needs to develop and implement a plan to transition accountability and control over all classes of supply at KMTB Location Command—including NVDs—to the ISF.

## Recommendations Table

Client	Recommendations Requiring Comment/Information	No Additional Comments Required
Commander, Multi-National Force-Iraq	1.a., 1.b., 3., 4.b., 6.a., 7.b.(1), 7.b.(2).	6.b.
Commander, Multi-National Security Transition Command-Iraq	1.c., 4.a., 5.a., 5.c., 5.d., 6.d.	2.a., 2.b., 5.b., 7.a., 9.
Army G4	8. (Redirected from Joint Staff J4 to Army G4.)	
Commander, Army Materiel Command	6.e.(1), 6.e.(2).	
Commander, Combined Joint Special Operations Task Force-Arabian Peninsula	6.c., (Did not respond to draft report.)	
Director, Defense Security Cooperation Agency	5.e. (Redirected from DTSA to DSCA.)	

**Please provide comments by May 15, 2009.**



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# Introduction

## Background

This is the third in the series of DoD Office of the Inspector General (DoD IG), Special Plans and Operations (SPO) reports regarding accountability and control of sensitive equipment items being transferred to the Iraqi Security Forces (ISF).

The DoD IG performed an assessment of the accountability and control of Arms, Ammunition, and Explosives (AA&E)<sup>3</sup> in Iraq in September and October 2007. The results of that assessment and recommendations for corrective actions were published in DoD IG Report No. SPO<sup>4</sup>-2008-001, “Assessment of the Accountability of Arms and Ammunition Provided to the Security Forces of Iraq,” July 3, 2008 (a classified report).

Based on the first report, the Inspector General assembled a second assessment team in February 2008 to determine the status of the corrective actions being implemented for the accountability and control of AA&E in Iraq. The results of that assessment and recommendations for corrective actions were published in DoD IG Report No. SPO-2009-002, “Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Sustainment for the Iraqi Security Forces,” December 19, 2008.

During the fieldwork conducted in April and May 2008 for the second assessment, we discovered potentially significant weaknesses in the internal controls used by the U.S. military for management of sensitive technology items, such as night vision devices (NVDs). The team made a draft recommendation to Multi-National Security Transition Command-Iraq (MNSTC-I) to develop an End Use Monitoring (EUM) Compliance Plan with the Government of Iraq (GoI). This plan would cover routine End Use Monitoring (EUM)<sup>5</sup> and Enhanced End Use Monitoring<sup>6</sup> (EEUM). It also recommended that MNSTC-I mentor ISF staff to develop a suitable system for accountability and control of sensitive items already provided or to be provided the ISF, including NVDs. The system also needed to be consistent with EUM/EEUM requirements.

## Objectives

On August 19, 2008, we announced the 2008 “Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq.”

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<sup>3</sup> We did not include an evaluation of explosives in our assessment.

<sup>4</sup> DoD IG, Office of Special Plans and Operations.

<sup>5</sup> Routine EUM is conducted under the DoS Blue Lantern Program or the DoD Golden Sentry Program on defense articles and services that are transferred to trusted partners. In the case of Golden Sentry, the LOAs for these articles and/or services do not include any unique notes and/or conditions associated with the specific transfer.

<sup>6</sup> Enhanced EUM is required for sensitive defense articles, services, and technologies; defense articles provided under the provision of FAA, section 505(f) (reference (b)); and technology transfers made within sensitive political situations. For sensitive articles and/or services, LOAs may contain specialized notes or provisos requiring greater physical security and accountability contingent on the principle of trust with verification.

The objectives for this assessment were to:

- Assess the oversight and management of night vision devices.
- Determine whether current accountability, control, and physical security over the distribution of NVDs provided to the ISF was adequate.
- Assess the following specific areas:
  - Contracting and procurement
  - Transportation and storage
  - U.S. issuance procedures
  - Accountability and control support provided by ISF.

## **Methodology**

We examined the methodologies and processes currently in place, and those projected, for the proper handling and distribution of NVDs to the GoI. We examined the export procedures for NVDs and determined which policies pertained directly to Iraq. We identified gaps, redundancies, flaws, and risks associated with the current policy implementation at all levels.

We examined both quantitative and qualitative data in this project. The qualitative data consisted of individual interviews, direct observation, and written documents. Quantitative data consisted of inventory records and other documentation that was used to determine the number of NVDs shipped to, received by, and distributed to the GoI via Iraqi Security Forces Fund (ISSF) and/or Foreign Military Sales (FMS) and how they were being handled and accounted for.

## **Progress Made**

Since 2004, the U.S. has procured approximately 50,740 NVDs<sup>7</sup> for the ISF<sup>8</sup>. MNSTC-I can document the transfer of 46,876 of those NVDs to the ISF. It is possible that other NVDs were provided prior to 2005 through transfers from U.S. forces or other U.S. government sources, so determining an exact number would be difficult.

However, significant progress has been made by MNSTC-I in establishing NVD oversight since the DoD IG team visited in April-May, 2008.

- MNSTC-I is putting in place the essential elements of an EEUM program for FMS-purchased NVDs.
- The Commanding General, MNSTC-I has issued policy guidance covering the distribution and issuance of sensitive equipment to ISF, to include NVDs.

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<sup>7</sup> Includes goggles, scopes, and monoculars.

<sup>8</sup> Includes both military and police forces.

- MNSTC-I has issued a Standard Operating Procedure (SOP) for routine EUM and EEUM that includes the Golden Sentry<sup>9</sup> program, the Blue Lantern<sup>10</sup> program, and Section 1228<sup>11</sup> of the 2008 National Defense Authorization Act.
- MNSTC-I has documentation, by quantity, for 46,876 (92.4 percent) of the approximately 50,740 NVDs procured for the ISF.
- Memorandums of Agreement (MOAs) covering NVD accountability and control have been signed between MNSTC-I and the Ministry of Interior (MOI), Ministry of Defense (MOD), and Counter Terrorism Bureau (CTB).
- Baghdad Police College (BPC), Taji National Supply Depot (TNSD), the Iraq 11th Division, the Iraqi Special Operations Force (ISOF) and two Location Commands, utilize a system of property books to account for NVDs received and issued, by serial number.
- The MOD is developing a database to track NVD inventory by unit, type and serial number. This database will eventually track all NVDs in the MOD inventory, whether procured from the USG via the ISSF, FMS, or by other funding sources.

Appendix A discusses the scope, methodology, and acronyms related to the assessment objectives and a list of acronyms used in this report. Appendix B provides a summary of prior coverage related to the assessment objectives. Appendix C provides the definitions of terms used in this report. Appendix D provides a list of the organizations contacted and visited during the assessment. Appendix E provides a summary of United States Code and DoD policies applicable to this report. Appendix F contains management comments (in final report). Appendix G provides a distribution list for the final report.

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<sup>9</sup> Department of Defense end use monitoring of defense articles and services provided to foreign customers or international organizations through government-to-government programs.

<sup>10</sup> Department of State end use monitoring of the commercial export of defense articles, services, and related technical data subject to licensing.

<sup>11</sup> Directs the President to implement a policy to control the export and transfer of defense articles into Iraq, and to implement a defense articles registration and monitoring system.



## **Observation 1. Accountability and Control Procedures for the Transfer of Night Vision Devices to the Iraqi Security Forces.**

Since 2004, MNSTC-I has procured approximately 50,740 NVDs for the ISF. Analysis indicates that 50,432 NVDs have been delivered to MNSTC-I. MNSTC-I can account for about 46,876 of the NVDs by quantity, as recorded in broad categories (MOD, MOI, CTB, Abu Ghraib Warehouse [AGW]) in the MNSTC-I J4 issue logbook. An additional 308 NVDs were still “due in” to MNSTC-I and AGW reported that another 128 were on-hand under Coalition control. This totaled approximately 46,440 NVDs actually under ISF control, accounted for by quantity. MNSTC-I had issuance documentation for approximately 25,000 of the 46,440 NVDs, identifying as recipient of the NVDs a specific Iraqi Army or police organization and/or individual assigned there. However, so far, MNSTC-I has captured only about 20,000 NVD serial numbers out of the total quantity issued to the ISF or still stored at AGW warehouse.

The lack of full accountability of NVDs resulted from a combination of factors, including the exigencies associated with the nature of the combat from 2004 to 2007 and the difficult Coalition effort to stand-up the nascent ISF while these organizations were actually engaged in combat. The situation was further exacerbated by the inexperience of U.S. personnel involved in the process, from contracting to transfer to the ISF, along with insufficient personnel and high personnel turnover rates at MNSTC-I. In addition, MNSTC-I did not have adequate policies and procedures in place. Many of these issues had been corrected at the time of this report and the current or proposed policies and procedures in place for accountability and control of sensitive items, to include NVDs, should provide sufficient oversight in the future, as long as they are consistently followed.

However, the lack of any accountability for approximately 3864 NVDs and the lack of serial number accountability for about 30,740 more could lead to misappropriation and theft, ultimately putting U.S. service members at risk by providing our enemies a capability they might not have otherwise had. Lack of serial number accountability can also hinder criminal prosecutions and administrative actions against those involved in misappropriation and theft.

### ***Applicable Criteria***

MNSTC-I advisors and trainers were involved on a daily basis in mentoring the processes for accountability and control of sensitive items, to include NVDs, at the MOI, BPC, the MOD, TNSD, CTB, ISOF, and the Location Commands. Multi-National Corps- Iraq (MNC-I) trainers did the same with Iraqi military units and police organizations. In many instances, the Iraqis had no published procedures for accountability and control of sensitive items. As such, certain U.S. policies and procedures, adjusted to meet Iraqi needs and desires, may serve as a basis for the MNSTC-I and MNC-I efforts in these areas.

U.S. Government and DoD policies and procedures that apply to the accountability, control, and physical security of property and AA&E are outlined below. Specific requirements cited in these guidance documents are discussed in Appendix E.

## **Accountability and Control for U.S. Government Property.**

**Title 40, United States Code, section 524.** Requires accountability and control over USG property. It states:

- (a) Required. Each executive agency shall –
  - (1) maintain adequate inventory controls and accountability systems for property under its control.

**Foreign Assistance Act, section 505(f).** Establishes requirements for technology transfers in sensitive situations.

## **Accountability and Control for DoD Property.**

**Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq, September 25, 2008.** This document establishes policy, assigns responsibilities, and sets forth procedures to certify the establishment of a registration and monitoring system for controlling the export and transfer of defense articles to the GoI and/or other groups, organizations, citizens, or residents of Iraq. It also designates the Defense Security Cooperation Agency (DSCA) as the lead agent responsible for developing, implementing, and enforcing the registration and monitoring policy pursuant to section 1228, Public Law 110-181, “National Defense Authorization Act for Fiscal Year 2008,” January 28, 2008.

**DoD Instruction 5000.64.** “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006, provides policy and procedures for DoD-owned equipment and other accountable property and establishes policy and procedures to comply with 40 U.S.C. 524.

## **Sensitive Equipment Items.**

**Government of Iraq Section 505 Assurance Letter, dated August 14, 2004.** This document establishes the GoI’s agreement to provide the same level of security and accountability as the USG and to permit the USG representatives to observe and review items sold under the security assistance program, to include sensitive items.

**DoD 4100.39-M.** “Federal Logistics Information System,” Volume 10, Table 61, November 2007, defines sensitive items.

**DoD 5200.08-R.** “Physical Security Program,” April 9, 2007, implements DoD policies and minimum standards for the physical protection of DoD personnel, installations, operations, and related resources, to include the security of sensitive items.

**DoD 5105.38-M.** “Security Assistance Management Manual, Chapter 8,” October 3, 2003, specifies responsibilities for Security Assistance Organizations and U.S. Diplomatic Missions with Security Assistance responsibilities which:

- “Establish and maintain liaison with the U.S. Embassy’s Blue Lantern representatives.”
- “...verify the bona fides of proposed recipients and delivery of defense articles and services sold commercially and delivered under an export license.”
- “Develop and promulgate country specific EUM policy, Standard Operating Procedures....”

**MNF-I Fragmentary Order 08-302 [Iraqi Security Forces Night Vision Device Inventory], dated 031445CJUL08.** This fragmentary order (FRAGO) directed an inventory of NVDs provided to the ISF, but was only applicable to the Iraqi Army, not the various police organizations.

**MNSTC-I Memorandum, “Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” April 26, 2008.** Provides mandatory direction to all MNSTC-I personnel for the maintenance of material accountability, to include sensitive items, through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the GoI.

**MNF-I Memorandum, “Implementation of Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for Multi-National Command-Iraq (MNC-I) trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNSTC-I Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)” July 3, 2008.** The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

**MNSTC-I Security Assistance Office Memorandum.** “Iraq Golden Sentry End-Use-Monitoring (EUM) SOP,” September 12, 2008. Directs the Security Assistance Office Golden Sentry point of contact to establish liaison with the U.S. Embassy Blue Lantern representative to assist in establishing an end use monitoring program for sensitive items of equipment licensed by the Department of State (DoS) for export as a Direct Commercial Sale (DCS).

**Night Vision Device Memoranda of Agreement with the Ministry of Defense, Ministry of Interior, and the Counter Terrorism Bureau, dated September 30, 2008, October 2, 2008, and October 2, 2008, respectively.** Earlier versions of these memoranda existed for the MOD (November 2005) and MOI (November 2006). They have

been recently updated, as noted above. A new MOA was also established with the CTB. These memoranda establish specific accountability, control, and physical security requirements for the NVDs transferred to the ISF. They also establish reporting requirements and provide the basis for U.S. oversight.

### ***Efforts to Account for Night Vision Devices Transferred to the Iraqi Security Forces***

During the DoDIG Munitions Accountability Assessment in April and May of 2008, we conducted an inventory of 690 NVDs at TNSD and could not reconcile MNSTC-I data with stock on hand. Based on this preliminary observation, the Commander, MNSTC-I ordered an Army Regulation 15-6 investigation on July 21, 2008, into the control and accountability of NVDs provided to the ISF.

The initial MNSTC-I Army Regulation 15-6 investigation revealed that there had been a lack of documented NVD accountability. The results of this initial investigation also determined that of the then-identified 40,058 NVDs that had been transferred to the ISF, over 26,000 lacked supporting transfer documentation detailing transfer date, serial number, and receiving Iraqi unit or organization, among other information.

As the MNSTC-I J4 continued to search for documentation associated with the procurement and transfer of NVDs to the ISF, the Commander, Multi-National Force-Iraq (MNF-I), issued MNF-I FRAGO 08-32 [Iraqi Security forces Night Vision Device Inventory] dated 031445CJul 08, directing:

- MNSTC-I to conduct a 100 percent joint serial number inventory and serviceability inspection of all NVDs at AGW, TNSD, BPC, and the Location Commands.
- MNC-I to conduct a 100 percent joint serial number of NVDs with their Iraqi Army partner units.
- All results detailing unit/location/serial number/make/model/quantity/serviceability data to be forwarded to the MNSTC-I J4.

As of October 30, 2008, the MNSTC-I J4 reported that MNSTC-I had procured approximately 50,740 NVDs of all types and 46,440 of those were documented as transferred to the ISF (308 still due in/128 stored at AGW under Coalition control). When the 128 reportedly stored at AGW and the 308 not yet received are added to this count, approximately 46,876 of the 50,740 procured are accounted for by quantity. This leaves 3864 NVDs not accounted for by quantity or serial number. See Table 1 for additional details.

**Table 1. Quantity Accountability of NVDs Procured for the Iraqi Security Forces\***

MOD	MOI	CTB ISOF	MIU**	AGW	TNSD	Due In	Total Accounted For by Qty	Procured	Not Accounted For
27,161	14,080	3,983	411	128	805	308	46,876	50,740	3,864

\*Data provided by the MNSTC-I J4.

\*\*Miscellaneous Iraqi Units

The results of the countrywide serial number inventory, directed by the MNF-I FRAGO, were incomplete. MNSTC-I obtained only about 15,000 NVD serial numbers. Analysis by the MNSTC-I J4 and the DoDIG NVD Assessment Team revealed that:

- The MNF-I FRAGO only directed serial number inventory of NVDs in Iraqi Army units, resulting in the omission of serial number data for the NVDs previously provided the MOI and Iraqi Police organizations (see quantity data for NVD issuances to MOI in Table 1.)
- Although the MNC-I FRAGO implementing the MNF-I FRAGO called for the inventory to be conducted in both Iraqi Army and National Police organizations, it directed that “This inventory does not include commercially procured or non-U.S. systems.”<sup>12</sup> This eliminated serial number reporting of the NVDs purchased via Direct Commercial Sales (DCS) from the U.S and other countries, most notably Canada, which constituted the vast majority of the NVDs procured by MNSTC-I and transferred to the ISF.
- Not all U.S. trainers with Iraqi Army units responded to the MNC-I FRAGO that implemented the MNF-I FRAGO.

As we conducted interviews and analysis with various organizations and individuals with responsibility for accountability of NVDs transferred to the ISF, it became apparent that there were “untapped” sources of serial number data that would be useful to MNSTC-I as they sought to improve their serial number accountability for NVDs. These data sources include:

- Updates from the Iraqi Joint Headquarters Combined Logistics Operations Center Database.
- Inventory records from MOD, MOI, and CTB program managers.
- DoS export licenses issued for DCS purchases under Blue Lantern. (The OIG team provided MNSTC-I the approximately 19,000 NVD serial numbers DoS had in its records for NVDs licensed for export to MNSTC-I and subsequent transfer to the ISF.)

As MNSTC-I incorporates the data from these various sources into a master baseline NVD database, they will need to build in a capability that will identify duplicate entries to avoid a

<sup>12</sup> FRAGO\_540 [31 JUL 08 DTU], to MNC-I OPORD 08-01, paragraph 2.C.3.C.3.

“double count.” (This approach is not error-proof as both MNSTC-I and the DoDIG Assessment Team documented the existence of duplicate serial numbers on NVDs of non-U.S. manufacture. However, these occurrences will be relatively insignificant in the overall effort to account, by serial number, for as many of the approximately 50,740 NVDs transferred to the ISF as reasonably possible.)

Over half of the 50,740 NVDs transferred to the ISF were of non-U.S. manufacture and were procured through the DCS process. These NVDs were not designed and built to U.S. military specifications and have not withstood the rigors of combat operations very well. At all Iraqi organizations we visited, personnel produced significant numbers of foreign made NVDs that were broken, with many beyond repair. We note that, as a result, these types of NVDs would likely not have long remained operational, if obtained by untrained enemy personnel who did not have repair capability.

We commend MNSTC-I for their success in documenting the “by quantity” transfer of the vast majority of the NVDs they provided the ISF. We also note their ongoing effort to account for these NVDs by serial number. We also have determined that current policies and procedures that MNSTC-I has implemented or will implement to account for future transfer of sensitive items to the ISF, to include NVDs, will be adequate to ensure serial number accountability, as long as those procedures are followed. [See “MNSTC-I Logistics Accountability Standard Operating Procedures” and Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)”].

However, we believe that to strengthen these policies and procedures, more work needs to be accomplished to develop a comprehensive baseline NVD serial number inventory. In conjunction with the already established weapons serial number database, the NVD baseline inventory will provide a key part of an effective registration and monitoring system that complies with existing DoD regulations for the transfer of defense articles to the GoI, or to other groups, organizations, citizens or residents of Iraq. This includes compliance with the Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq, dated September 25, 2008.

## ***Night Vision Device Serial Number Counts***

We performed a judgmental sample of NVD numbers on-hand at AGW, TNSD, BPC, Taji Location Command, Kirkush Location Command, Kirkush Base Defense Battalion, the Coalition Air Force Training Team, the 11th Division (Iraqi Army), and the ISOF Brigade to determine the accuracy of master inventory spreadsheets at those locations.

### **Abu Ghraib Warehouse.**

The MNSTC-I J4 reported that 128 NVDs were stored under Coalition control at AGW. However, the U.S warehouse manager reported that 624 NVDs were actually on-hand at AGW and had been there since 2005.

MySAP is AGW's warehouse management system. The MySAP inventory program is sorted only by type and quantity, not by serial number. Item serial numbers are maintained in a separate database. Additionally, depending on the key words used, searches for certain items in MySAP returns different results. This appears to be the reason for the difference between MNSTC-I J4 and AGW NVD on-hand data, since both have access to the MySAP system.

While the on-hand quantity listed in MySAP (624) agreed with the totals actually stored at AGW, we noted 43 discrepancies between the serial numbers we recorded and the inventory list

provided by AGW. These discrepancies were all in the 603 NVDs (Binoculars Night Vision CSPK6) stored under SKU TRN004-IMO. These NVDs were all of non-U.S. origin, purchased through DCS. Many of the stamped serial numbers were exceptionally hard to read and could not be accurately determined, in many instances. The serial number discrepancies likely resulted from the difficulty in reading the serial numbers.

The U.S. Senior Advisor and the TNSD Iraqi Commander briefed accountability and control

procedures for supplies as follows:

- A 100 percent Coalition/Iraqi joint inventory is conducted upon arrival (NVDs now come with serialized lists).
- The overall quantities are uploaded into MySAP, but without serial numbers. The serial number lists are kept in hard copy.
- The Iraqis use a manual system to account for the equipment.
- The Iraqis conduct a monthly quantity inventory and a quarterly serial number inventory of sensitive items. (The U.S. advisor had not yet witnessed a quarterly serial number inventory.)
- NVDs have generally come into Baghdad International Airport on the U.S.-controlled military side and were then moved by Coalition convoys to TNSD. In the future, all NVDs will come into country this way.
- NVDs were stored in a double locked building inside a fenced, guarded compound.



**Figure 2: DoDIG NVD Assessment Team Inventory at AGW**

The MNSTC-I J4 reported that 805 NVDs were stored at TNSD. The warehouse manager reported that 474 NVDs were actually on-hand, 331 less than the MNSTC-J4 inventory count.

We inventoried 295 of the 474 NVDs. Specific results follow:

- NVG 7-21: Two hundred sixteen on the serial number inventory sheet and 218 actually on-hand (two additional, unlisted devices--serial number 600246 in Box 033 and 602820 in Box 023). Two had duplicate serial numbers listed on the inventory sheet and on hand (actual devices with duplicate serial numbers 605352 in Box 024). Twelve had incorrect serial numbers listed on the inventory sheet.

<u>Box</u>	<u>Listed Serial Number</u>	<u>Correct Serial Number</u>
017	601922	601988
017	603301	603302
022	602012	602817
018	602720	601720
057	600535	600555
021	600731	600231
021	602415	602595
006	602864	602861
007	603159	703159
007	601206	602107
025	603801	603210
004	601281	600281

- American Technologies Network (ATN) NVG 7: Forty-five on the serial number inventory sheet and 45 on hand. Four had incorrect serial numbers.

<u>Box</u>	<u>Listed Serial Number</u>	<u>Correct Serial Number</u>
403	55848	55846
403	58317	56317
403	51347	56347
403	55359	56359

- Night Vision Monocular (NVM) T 4: Thirty-four were listed on the serial number inventory sheet. Thirty-four were accounted for with no issues concerning serial numbers.
- This constituted a 6.1 percent error rate in the sample of 295 NVDs.
- There were 177 NVS 7s reported on-hand that we did not inventory.
- The inventory results were provided to the U.S. advisors and their Iraqi counterparts for corrective action.

## **Baghdad Police College.**

We sampled 150 NVDs out of the 3674 that were stored at BPC. We discovered eight NVDs with serial numbers not recorded on the BPC serial number register. Those serial numbers were:

0514891	0514982
0515047	0515092
0514877	0514985
0515048	0516709

Additionally, we found two NVDs that had incorrect serial numbers recorded on the BPC register. The incorrect numbers were 1511739 and 1511756, but we did find two NVDs with numbers 0511739 and 0511756. No other serial numbers started with a “1.” The team agreed these were the correct NVDs with a serial number recording error.

We counted the number of serial numbers recorded on the BPC serial number inventory and recorded a total of 3,674. However, the total number of NVDs delivered to BPC from AGW was supposed to be 3,620, as noted on the August 26, 2008 shipping document. Since there were no NVDs on-hand at BPC prior to that delivery, there was a discrepancy between what AGW personnel believe they shipped to BPC and what was actually delivered.

The shipping document also indicated that the NVDs were signed for without a serial number inventory being conducted immediately, a violation of MNSTC-I Policy Statement 15-08, which requires a joint Coalition/Iraqi serial number inventory on delivery, or a 24-hour Coalition guard until that serial number inventory is completed. (The serial number inventory was reportedly completed four days later.)

The NVDs were stored in a double pad-locked connex container, in a fenced secure area with Iraqi security guards at the gate. There was no written U.S. or Iraqi SOP describing the procedures to account for and control sensitive items, to include NVDs.

## **Taji Location Command**

The MNSTC-I Logistics Military Assistance Team (LMAT) at the Taji Location Command reported that they were largely in an oversight/assistance role, with the Iraqis actually running the Location Command. The LMAT reported that sensitive items, such as NVDs, were inventoried by serial number upon receipt and that a copy of the serial numbers was then provided to the MNSTC-I J4. The NVDs were stored in a double-locked connex container inside a secured warehouse on a guarded compound. When issued to Iraqi units, the unit signed for the NVDs by serial number. There was no written SOP describing the procedures to account for and control sensitive items, to include NVDs.

We inventoried 170 of the 867 NVDs stored at Taji Location Command. Of the 170 NVDs inventoried, 12 serial numbers were missing from the Location Command’s inventory list. Those serial numbers were:

53702	60712
53726	60975
53862	61034
54035	603576
54390	603598
60254	603635

This was an error rate of 7 percent in the sample.

Additionally, we noted that several of the NVDs were possibly damaged due to battery acid leaking onto the device, as the battery was stored in the same plastic bag as the NVD.

## Kirkush Military Training Base

**Kirkush Location Command.** The LMAT reported that sensitive items, such as NVDs, are inventoried by serial number on receipt and that a copy of the serial numbers is provided to the MNSTC-I J4. The NVDs were stored inside a secured warehouse on a guarded compound. When issued to Iraqi units, the unit signs for the NVDs by serial number. There was no written U.S. or Iraqi SOP describing the procedures to account for and control sensitive items, to include NVDs.

We inventoried 332 of 1,267 ATN-NVG 7-21 NVDs stored at the Kirkush Location Command. (We did not inventory any of the approximately 933 Viper model monocular NVDs on-hand because of time constraints and their lesser technological capability.) We found eight devices that had duplicate serial numbers. We identified 28 serial numbers that were not on the Location Command's serial number list, representing an 8.4 percent error rate (see below).

6122	59217	60693	61718
6144	59285	60730*	62096
54875	59480	60730*	62582
55809	59487	60852	63014
560904	59628	60990	63067
57386	59808	61308	63079
57756	60291	61714	63185

\*Actual duplicate serial numbered NVDs.

We also inventoried 16 Canadian-manufactured NVDs and the serial numbers matched the Location Command's serial number list.

**Kirkush Base Defense Battalion.** We conducted an inventory of 131 of the 133 NVDs maintained by the Base Defense Battalion. (Two were signed out on Iraqi Form 101). The Battalion's sub-units were Tower Company, Quick Reaction Force, and Headquarters Company. The Iraqi serial number inventory records for these sub-units were maintained on hand-written lists. We noted that the serial numbers on a significant number of the NVDs were very difficult to read and that, across the Battalion, 21 NVDs had no serial number on them (scratched off or otherwise missing). Similar to other ISF units visited, none of the Iraqis in the Base Defense Battalion knew how to get broken NVDs repaired or how to remove irreparable NVDs from their

property records. There was no written Iraqi SOP describing the procedures to account for and control sensitive items, to include NVDs.

There were no material inconsistencies noted in the inventories of Tower Company (15 NVDs) or the Quick Reaction Force (32 NVDs). However, there were discrepancies in Headquarters Company. Although the Headquarters Company records were difficult to interpret, it appeared that they should have had on-hand 86 NVDs, to include 29 broken devices. While there were 86 devices on-hand in the Headquarters Company, we identified 14 NVDs with no corresponding serial number on the unit's records (see below).

50318	50323
50354	50939
51034	23 (not an error)
50445	50903
50269	50655
51002	50289
50687	50299

We also found four serial numbers on the unit's records that had no corresponding NVD in the Headquarters Company inventory.

In summary, this constituted a 20.9 percent discrepancy rate, explainable in part by the significant number of NVDs with no serial number.

## **Coalition Air Force Training Team**

NVDs procured for Coalition Air Force Training Team operations are maintained under U.S.-control and inventoried monthly via serial number. Our team conducted a 100 percent serial number inventory of the 87 NVDs maintained by the Training Team with no discrepancies noted.

## **Iraqi Army 11<sup>th</sup> Division**

During our visit to the 11<sup>th</sup> Army division, we were accompanied by the Iraqi Joint Headquarters Inspector General and members of his organization. While the Iraqi Joint Headquarters IG and his team inspected the 11<sup>th</sup> Division Property Books to determine the adequacy of the records, the DoDIG team conducted the physical inventory of the NVDs on-hand in the Division Headquarters Company and 11 battalions.

**Table 2. Quantity Accountability of NVDs in the Iraqi Army 11<sup>th</sup> Division\***

UNIT	ON-HAND	MISS/DESTROYED	SIGNED OUT	TOTAL
Div, HHC	57	2	0	59
42d Bde, HHC	22	0	0	22
42d Bde, 1 <sup>st</sup> Bn	62	16/6	2	86
42d Bde, 2d Bn	49	0	0	49
42d Bde, 3d Bn	40	0	0	40
43d Bde, HHC	72	0	4	76
43d Bde, 1 <sup>st</sup> Bn	84	0	0	84
43d Bde, 2d Bn	82	0	0	82
43d Bde, 3d Bn	84	0	0	84
44 <sup>th</sup> Bde, HHC	11	1	0	12
44 <sup>th</sup> Bde, 1 <sup>st</sup> Bn	96	0	1	97
44 <sup>th</sup> Bde, 2d Bn	97	11	0	108
11 <sup>th</sup> Div Total	756	36	7	799

\*DoDIG NVD Assessment Team inventory November 6, 2008.

In coordination with the Iraqi Joint Headquarters IG team, we determined the following:

- The serial numbers for the NVDs in 11<sup>th</sup> Division organizations were either manually recorded or entered into a computerized spreadsheet.
- NVDs were signed out to individuals by serial number, recorded either in a property register or on Iraqi Army Form 101.
- Although accountability procedures were sound, no written SOPs documented these procedures.
- No one knew the process for repairing broken NVDs or how to remove irreparable NVDs from the property books.
- Many of the “investigations” for missing NVDs had been ongoing for extended periods of time.
- Two NVDs in one Battalion had been signed out for over a year with no “eyes on” accountability.
- The Iraqi Joint Headquarters IG team review of property book records indicated 755 NVDs should be on-hand in the units we inventoried; we found 756.



**Figure 3: NVD Inventory at 11<sup>th</sup> Division**

- The Iraqi Joint Headquarters IG team review of property book records accounted for a total of 832 NVDs on-hand, missing/destroyed, or signed out in the units we inventoried; our inventory and review of records available at the inventory site accounted for 799. (A four percent error rate in quantities.)
- Of the 12 units inventoried, five had no material differences, while the remaining seven had discrepancies. Most differences found involved serial numbers that were recorded by our team but not found in the Iraqi records and vice versa. (Many serial numbers were hard to read on the device itself.)
- The seven units had serial number discrepancy rates ranging from 8 percent to 30 percent, with an average of 13 percent. Overall, the rate of serial number discrepancies in the 11<sup>th</sup> Division serial number record was approximately 9 percent.

**Iraqi Special Operations Forces Brigade (See Observation 6 for results of visit and inventory.)**

### ***Recommendations, Client Comments, and Our Response***

1.a. We recommend that the Commander, Multi-National Force-Iraq, in coordination with Multi-National Corps-Iraq and Multi-National Security Transition Command-Iraq complete the baseline inventory of night vision devices transferred to the Iraqi Security Forces by issuing further guidance directing U.S. mentors/trainers/advisers to inventory (by unit, device type, and serial number) all night vision devices in the Iraqi Security Forces, regardless of country of origin. This includes all Iraqi military units, police organizations, and Counter Terrorism/Special Operations Forces units.

### **Client Comments**

Commander, MNF-I concurred, noting that the Commander, MNC-I published an order directing an inventory of NVDs across all Iraqi military, police, and Counter Terrorism/Special Operations Forces organizations. The inventory will include all NVDs, regardless of country of origin.

### **Our Response**

Commander, MNF-I comments were responsive. We request a copy of the MNC-I order.

1.b. We recommend that the Commander, Multi-National Force-Iraq, in coordination with Multi-National Corps-Iraq and Multi-National Security Transition Command-Iraq, reconcile night vision device serial number data from the following sources:

- On-hand inventory from Abu Ghraib Warehouse, Taji National Supply Depot, Baghdad Police College, and the Location Commands.
- Updates from the Iraqi Joint Headquarters Combined Logistics Operations Center.
- Inventory records from the Ministry of Defense, Ministry of Interior, and Counter Terrorism Bureau Night Vision Device Program Managers.
- Department of State export license issuances (provided by the Department of Defense Inspector General Night Vision Device Assessment Team).

## **Client Comments**

Commander, MNF-I concurred, indicating that MNC-I and MNSTC-I would collaborate to reconcile the results of the NVD inventory.

## **Our Response**

Commander, MNF-I comments were responsive. We request a report when MNF-I has completed the baseline inventory and reconciliation.

1.c. We recommend that the Commander, Multi-National Security Transition Command-Iraq, in coordination with the Director, Defense Security Cooperation Agency, implement the provisions of “Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq,” September 25, 2008, to include the establishment of a monitoring system for controlling the export and transfer of defense articles to the Government of Iraq and/or other groups, organizations, citizens, or residents of Iraq, as defined within Directive-Type Memorandum (DTM) 08-041. The monitoring system should be made applicable to NVDs and other defense articles transferred through:

- Formal Foreign Military Sales programs.
- Pseudo-Foreign Military Sales programs.
- Procurement using Iraqi Security Forces Fund or other appropriated funding and not through formal or pseudo-Foreign Military Sales programs.

## **Client Comments**

Commander, MNSTC-I concurred, noting that the command had implemented the provisions of the DTM, providing the first required quarterly report to DSCA on December 31, 2008. The

MNSTC-I Accountability Standard Operating Procedure was being updated to include the DTM provisions, with projected completion in February 2009.

## **Our Response**

Commander, MNSTC-I comments were responsive. We request a copy of the updated SOP.



## **Observation 2. Multi-National Security Transition Command-Iraq's Implementation of Policy and Standard Operating Procedures on Accountability and Control of Sensitive Items.**

NVDs were shipped directly from AGW to the Habbaniyah Iraqi Police Service Training Academy and Numaniyah Location Command, a violation of MNSTC-I Policy Statement 15-08, dated July 3, 2008.

NVDs were delivered from AGW to BPC and Habbaniyah Iraqi Police Service Training Academy without a joint U.S./Iraqi serial number inventory being conducted on delivery, also a violation of MNSTC-I Policy Statement 15-08, dated July 3, 2008.

This occurred because MNSTC-I personnel are unfamiliar with or do not follow published policy and standard operating procedures.

Such direct shipments remove senior Iraqi logistics personnel from the chain of accountability and control, and increases the likelihood of misappropriation and theft of sensitive items. Failure to conduct a joint serial number inventory at the time of transfer further increases that likelihood. Failure to understand and implement in-country security and accountability requirements for sensitive items, to include NVDs, until formal turnover to the ISF could also lead to misappropriation and theft.

### ***Applicable Criteria***

#### **Accountability and Control for U.S. Government Property.**

**Title 40 U.S.C. section 524.** Requires accountability and control over USG property. It states:

- (a) Required. Each executive agency shall –
  - (1) maintain adequate inventory controls and accountability systems for property under its control.

#### **Accountability and Control for DoD Property.**

**Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq.** This document establishes policy, assigns responsibilities, and sets forth procedures to certify the establishment of a registration and monitoring system for controlling the export and transfer of defense articles to the GoI and/or other groups, organizations, citizens, or residents of Iraq. It also designates the DSCA as the lead agent responsible for developing, implementing, and enforcing the registration and monitoring policy pursuant to section 1228, Public Law 110-181, “National Defense Authorization Act for Fiscal Year 2008,” January 28, 2008.

**DoD Instruction 5000.64**, “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006, provides policy and procedures for DoD-owned equipment and other accountable property and establishes policy and procedures to comply with 40 U.S.C. 524.

### **Sensitive Equipment Items.**

**DoD 4100.39-M**, “Federal Logistics Information System,” Volume 10, Table 61, November 2007, defines sensitive items.

**DoD 5105.38-M**. “Security Assistance Management Manual, Ch. 8,” October 3, 2003, specifies responsibilities for Security Assistance Organizations and U.S. Diplomatic Missions with Security Assistance responsibilities which:

- “Establish and maintain liaison with the U.S. Embassy’s Blue Lantern representatives.”
- “...verify the bona fides of proposed recipients and delivery of defense articles and services sold commercially and delivered under an export license.”
- “Develop and promulgate country specific EUM policy, Standard Operating Procedures (SOPs)...”

**MNSTC-I Memorandum, “Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” April 26, 2008.** Provides mandatory direction to all MNSTC-I personnel for the maintenance of material accountability, to include sensitive items, through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the GoI.

**MNF-I Memorandum, “Implementation of Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**Multi-National Security Transition Command-Iraq Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)” 3 July 2008.** The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

**MNSTC-I SAO Memorandum “Iraq Golden Sentry End-Use-Monitoring (EUM) SOP,” September 12, 2008.** This document directs the Security Assistance Office (SAO)

Golden Sentry point of contact to establish liaison with the U.S. Embassy Blue Lantern representative.

## ***Ensuring Involvement of Senior Iraqi Logistics Managers to Achieve Effective Transfer of Night Vision Device Accountability and Control***

**Delivery Procedures.** In interviews with senior MOI logistics personnel, MNSTC-I SAO personnel, and MNSTC-I J4 personnel, we determined that shipments of NVDs were delivered directly to Habbaniyah Iraqi Police Service Training Academy and Numaniyah Location Command from AGW, which removed the MOI Senior Logistics Officer from visibility over and responsibility for the materiel. The MOI Senior Logistics Officer stated that he was unaware of the quantity or location of NVDs in the MOI logistical system, except for the approximately 3,600 currently stored at BPC. He reiterated his desire that all equipment and supplies for the MOI be delivered to the BPC warehouses. (MNSTC-I reports that over 14,000 NVDs have been delivered to MOI organizations. With MNSTC-I assistance, we provided delivery documentation for these NVDs to the U.S. mentors assigned to the MOI Senior Logistics Officer.)

- Mission 4705 – Delivery Note 80001311 delivered supplies and equipment, to include a 100 NVDs, from AGW direct to Habbaniyah IPS Academy on July 31, 2008. BPC was bypassed on this shipment.
- Mission 4712 – Delivery Note 80001298 delivered supplies and equipment, to include one NVD, from AGW direct to Numaniyah Training Academy on July 29, 2008. BPC was bypassed on this shipment.

MNSTC-I Policy Statement 15-08, dated July 3, 2008, states that all sensitive items (including NVDs) will only be hand received and transferred to the ISF at TNSD or BPC where there will be an immediate 100 percent joint serial number inventory. (The MNSTC-I J4 can approve exceptions, in extraordinary circumstances.)

**Joint Inventories of Sensitive Items.** In interviews with senior MOI logistics personnel, MNSTC-I SAO personnel, and MNSTC-I J4 personnel, we determined that shipments of NVDs were delivered to BPC and Habbaniyah Iraqi Police Service Training Academy without a joint U.S./Iraqi serial number inventory being conducted at delivery.

- Mission 4705 – Delivery Note 80001311 delivered 100 NVDs from AGW to Habbaniyah IPS Academy on July 31, 2008, without a joint inventory being conducted.
- Mission 4804 – Delivery Note 80001679 delivered 3620 NVDs from AGW to BPC on September 3, 2008, without a joint inventory being conducted, nor were they guarded by U.S. personnel until an inventory was completed. The NVDs were placed into a connex container owned and guarded by the Iraqis.

MNSTC-I Policy Statement 15-08, dated July 3, 2008, further states that, if no inventory can be immediately completed, then coalition forces will place a 24-hour armed guard on the equipment

until it can be inventoried. The policy memo states that only in exceptional circumstances can sensitive items be transferred to ISF below the national depot level (TNSD or BPC) and that this would require the explicit authority of the MNSTC-I J4. (Policy Statement 15-08 reiterates word for word the Policy Statement 03-08, dated March 24, 2008.)

Additionally, the MNSTC-I Logistics Accountability SOP, dated April 26, 2008, states on page 11, paragraph 2.4a that Coalition forces remain responsible for the security of weapons and sensitive items until the completion of a 100 percent serial number inventory and turn over of ownership via DA Form 3161.

These policies and standard operating procedures were put into place to correct deficiencies identified in previous DoDIG assessments involving accountability and control of sensitive items. This particular delivery issue appears to have resulted from a breakdown of MNSTC-I adherence to its established policies and procedures.

The problem appeared to be most prevalent with respect to the MOI; we did not find evidence of issues with transferring NVDs in the MOD logistics channels.

**Accountability and Control.** Forty-six Night Vision Goggle-6 Generation II NVDs were purchased via the pseudo-FMS process. They require EEUM in accordance with U.S. laws and regulations. MNSTC-I personnel could not readily determine how the 46 NVDs were transported from the time of arrival in Iraq to their final destination at TNSD. They subsequently did so.

We note that none of the 46 devices were misappropriated or stolen. They were all delivered to the control of the U.S. military trainers working with the Iraqi Air Force.

Effective policy and procedure for security and control of sensitive items from their arrival at Baghdad International Airport until formal transfer to the Iraqis at TNSD or BPC had been previously established. However, a lack of understanding of these procedures by MNSTC-I personnel could lead to a breakdown in the procedures as personnel rotate, thus putting security and accountability of sensitive items at risk.

In a normal FMS situation in a non-contingency environment, the foreign government owns the materiel purchased from the time it leaves the U.S. factory and is responsible from that point for its security and accountability. In the case of Iraq, however, ISFF-procured equipment, to include sensitive items such as NVDs, has flowed into the country under direct U.S. control and accountability, whether purchased through the pseudo-FMS or DCS processes. The Iraqis have only recently begun to fund their own FMS purchases, which are expanding. But, for the near-term, as with previous ISFF-procured equipment, FMS equipment will be shipped to Iraq via the U.S. Defense Transportation System and will subsequently be moved in-country under Coalition control until formal transfer of accountability and control to the ISF at TNSD or BPC.

## ***Recommendations, Client Comments, and Our Response***

2.a. We recommend that Commander, Multi-National Security Transition Command-Iraq ensure that assigned personnel adhere to published policy statements and standard operating procedures regarding the shipment, accountability, and control of sensitive items being transferred to the Iraqi Security Forces, to include night vision devices.

### **Client Comments**

Commander, MNSTC-I concurred. The MNSTC-I Accountability SOP will be re-issued to each potential NVD issue location. Liaison Officers and LMAT members will review and become familiar with the SOP. This process will be repeated quarterly to overcome the constant challenge associated with turnover of personnel.

### **Our Response**

Commander, MNSTC-I comments were responsive. No additional comments or actions are required.

2.b. We recommend that Commander, Multi-National Security Transition Command-Iraq establish a procedure to familiarize all newly assigned personnel with published policy statements and standard operating procedures regarding the shipment, accountability, and control of sensitive items being transferred to the Iraqi Security Forces.

### **Client Comments**

Commander, MNSTC-I concurred, referring to actions undertaken in response to Recommendation 2.a.

### **Our Response**

Commander, MNSTC-I comments were responsive. No additional comments or actions are required.



## **Observation 3. Adequacy of Iraqi Security Forces Policies and Standard Operating Procedures for the Accountability and Control of Night Vision Devices.**

At BPC and other Iraqi logistics organizations visited, there did not appear to be any documented written policy or SOP for accountability and control of sensitive items, to include NVDs, although actual in-practice procedures were generally adequate.

Although the MOD, MOI, and CTB have formalized MOAs with MNSTC-I for accountability and control of NVDs, they have not yet issued formal written policies and procedures to establish internal control processes by which NVDs are received, inventoried, controlled, and issued by Iraqi organizations and personnel.

As a result, there was the potential for NVD serial numbers to be inaccurately recorded and for NVDs to become misplaced, lost, or stolen.

### ***Applicable Criteria***

**Title 40 U.S.C., section 524.** Requires accountability and control over USG property. It states:

- (a) Required. Each executive agency shall –
  - (1) maintain adequate inventory controls and accountability systems for property under its control.

**Foreign Assistance Act, section 505(f).** Establishes requirements for technology transfers in sensitive situations.

**Government of Iraq Section 505 Assurance Letter, dated August 14, 2004.** This document establishes the GoI's agreement to provide the same level of security and accountability as the USG and to permit the USG representatives to observe and review items sold under the security assistance program, to include sensitive items.

**DoD Instruction 5000.64.** “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006:

- Provides policy and procedures for DoD-owned equipment and other accountable property and establishes policy and procedures to comply with 40 U.S.C., 524.
- Requires that accountable property records shall be established for all property purchased, or otherwise obtained, that are sensitive as defined in DoD 4100.39-M, “Federal Logistics Information System,” Volume 10, Table 61, November 2007.

**DoD 4100.39-M.** “Federal Logistics Information System,” Volume 10, Table 61, November 2007, defines sensitive items and states that such items require a high degree of protection and control due to statutory requirements or regulations.

**DoD 5105.38-M.** “Security Assistance Management Manual,” Provides guidance for the administration and implementation of the security assistance and related activities in compliance with the Foreign Assistance Act, the Arms Export Control Act, and related statutes and directives.

**Night Vision Device Memoranda of Agreement with the Ministry of Defense, Ministry of Interior, and the Counter Terrorism Bureau, dated September 30, 2008, October 2, 2008, and October 2, 2008, respectively.** Earlier versions of these memoranda existed for the MOD (November 2005) and MOI (November 2006). They have been recently updated, as noted above. A new MOA was also established with the CTB. These memoranda establish specific accountability, control, and physical security requirements for the NVDs transferred to the ISF. They also establish reporting requirements and provide the basis for U.S. oversight.

**MNSTC-I Memorandum, “Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” April 26, 2008.** Provides mandatory direction to all MNSTC-I personnel for the maintenance of material accountability, to include sensitive items, through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the GoI.

**MNF-I Memorandum, “Implementation of Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNSTC-I Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)” July 3, 2008.** The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

### ***Night Vision Device Inventory Counts***

As noted in Observation 1, we conducted full or sample inventories of NVDs at the following locations/commands to determine the accuracy of inventory records being maintained by MOD, MOI, and CTB units:

- Iraqi Army 11<sup>th</sup> Division.
- Abu Ghraib Warehouse (Coalition control).
- Baghdad Police College.
- Iraqi Special Operations Forces.

- Kirkush Military Training Base Location Command (Coalition Control).
- Base Defense Battalion--Kirkush Military Training Base.
- Taji Location Command.
- Taji National Supply Depot.
- Coalition Air Force Training Team.

We inventoried over 2,700 NVDs at these nine locations. After reconciling the serial numbers observed by our team to the inventory records maintained by unit personnel at each location, we identified a discrepancy rate of approximately 7 percent.

### ***Standard Operating Procedures***

The personnel assigned to the units visited are to be commended for conducting and documenting serial number inventories despite formal written policies not having been issued by the MOI, MOD, or CTB.

We did not find a written SOP for the accountability of sensitive items, to include NVDs, in any of the Iraqi organizations visited, although the actual procedures being practiced were generally adequate.

However, the discrepancy rates of the serialized inventories conducted indicate that standardized written policies and procedures for the accountability and control of NVDs are necessary to institutionalize a more accurate and accountable process to ensure continuity of correct procedures.

Standardization needs to start at the Ministerial level with promulgation of written policy to implement the provisions outlined in the NVD MOA each Ministry established with MNSTC-I. The MNSTC-I SAO has provided each Ministry's NVD Program Manager with a sample policy that can be tailored to establish formal written policy to implement the NVD MOAs.

The development and implementation of policy and SOPs for the ISF will be useful for several reasons:

- SOPs establish management control procedures and ensure an internal control audit trail.
- SOPs reflect continuity of operations and experiences gained.
- SOPs can be used to facilitate the training of new personnel.

## ***Recommendation, Client Comments, and Our Response***

3. We recommend that the Commander, Multi-National Force-Iraq, in coordination with the Commander, Multi-National Corps-Iraq and the Commander, Multi-National Security Transition Command-Iraq, assist and mentor Iraq Ministry and Iraqi Security Forces counterparts to develop and implement policies and standard operating procedures for night vision device accountability and control.

### **Client Comments**

Commander, MNF-I concurred. Iraqi self-sustainment is a top priority as set forth in MNC-I Operations Order 09-01 [Iraqi Sustainment Development Plan]. Significant efforts are ongoing to assist and mentor Iraqi Ministry and ISF counterparts to develop and implement policies and standard operating procedures for NVD accountability and control.

### **Our Response**

Commander, MNF-I comments were responsive. We request copies of Iraqi Ministerial policies and procedures and examples of ISF SOPs codifying accountability of NVDs, once they are developed and published.

## **Observation 4. In-Country Repair Capability for Night Vision Devices and Procedures to Dispose of Non-Repairable Night Vision Devices.**

Written policy and SOPs did not exist in the MOD, MOI, CTB, or in other ISF logistics organizations for the repair and/or final disposition of damaged NVDs.

This occurred because the GoI allowed a maintenance contract for NVD repair at TNSD, previously paid for by MNSTC-I using ISFF, to expire without having developed any organic maintenance or alternative contracted capability.

As a result, many broken and damaged NVDs were not being repaired, which reduced operational capability. Lacking a procedure to drop NVDs damaged beyond repair from property books in order to requisition new ones further reduced operational capability.

### ***Applicable Criteria***

**DoD 5105.38-M.** “Security Assistance Management Manual,” provides guidance for the administration and implementation of security assistance and related activities in compliance with the Foreign Assistance Act, the Arms Export Control Act, and related statutes and directives.

**Modification 1 to MNF-I FRAGO 08-246.** MOD 1 to MNF-I FRAGO 08-246 [MoD Radio and NVD Maintenance Transition], outlined a three-phased plan to facilitate the successful establishment of an operationally and logically self-sufficient NVD repair capability. The FRAGO states that:

Phase one will be the transition of radio and NVD responsibilities from the United States Government (USG) to the Government of Iraq (GoI) – MoD. This phase involves transferring USG furnished equipment used to repair radios and NVDs to the MoD in order to make available the facilities, tools and test equipment necessary to perform radio and NVD repair functions. Phase two is to facilitate the establishment, improvement and expansion of the MoD radio and NVD repair capability and maintenance concept of support. Phase three is the tracking of radio and NVD repair. There will be an overlap between phases. Phases 1, 2 and 3 are currently ongoing. Phase 1 will end 01 Dec 08. Phase 2 will endure as long as Coalition advisors are assigned to support the MoD radio and NVD repair mission. Phase 3 began 31 May 08 and will continue until 01 Dec 08 or MoD radio and NVD repair capability reaches an acceptable readiness rating.

**Memorandum of Agreement between the Iraq Counter Terrorism Bureau and Multi-National Security Transition Command-Iraq for Enhanced End Use Monitoring of Night Vision Devices.** This MOA, signed October 2, 2008, provides guidance to the CTB on NVD destruction, loss, theft and demilitarization.

**Memorandum of Agreement between the Iraq Ministry of Defense and Multi-National Security Transition Command-Iraq for Enhanced End Use Monitoring of Night Vision Devices.** This MOA, signed September 30, 2008, provides guidance to the CTB on NVD destruction, loss, theft and demilitarization.

**Memorandum of Agreement between the Iraq Ministry of Interior and Multi-National Security Transition Command-Iraq for Enhanced End Use Monitoring of Night Vision Devices.** This MOA, signed October 2, 2008, provides guidance to the CTB on NVD destruction, loss, theft and demilitarization.

### ***MNSTC-I Night Vision Device Maintenance Contract***

Until May 31, 2008, a USG-funded contractor provided maintenance for NVDs provided to the ISF at a facility located at TNSD. That USG-funded contract ended on May 31, 2008. All equipment at the TNSD Radio and NVD Repair Facility was inventoried and turned over to the MoD. However, the GoI subsequently allowed the contract to expire, so there was no active maintenance program to repair ISF NVDs. The contractor remained in place, but only on a limited basis to advise and train Iraqi Army personnel on NVD maintenance until December 31, 2008. The MNSTC-I J4 was working with MNSTC-I contracting personnel to invoke the last option of the old contract to extend its life to May 31, 2009, in order to reestablish a NVD maintenance program for the ISF. The contract extension would cover NVD maintenance and the training until May 31, 2009.

### ***Broken and/or Damaged Night Vision Devices***

#### **Broken and/or Damaged Night Vision Devices at Kirkush Military Training Base**

At Kirkush Military Training Base (KMTB), the team visually inspected and recorded the serial numbers of 332 of the 2,200 NVDs warehoused at the location. The 332 NVDs inventoried were type ATN-NVG 7-21s. Of the 332 inventoried, 16 NVDs, or 5 percent, were broken or damaged. Extrapolated to the total number of NVDs at the KMTB, an estimated 110 could be unserviceable.

The assessment team observed and inspected several large boxes containing broken or



**Figure 4: Unserviceable NVDs at KMTB Location Command**

damaged NVDs. The U.S. military personnel assigned to the Location Command, who actually managed the warehouse, stated that the inoperable NVDs were there when they arrived to assume their duties. They had no documented plan or process to fix the broken and/or damaged NVDs, send them to be repaired, or to dispose of them if they were irreparably damaged. As

NVDs were damaged and rendered inoperable, the serial numbers of the damaged NVDs were still retained on the inventory data sheets, stored at the Location Command.

### **Broken and/or Damaged NVDs at the Iraqi Army 11<sup>th</sup> Division**

At the Iraqi Army 11<sup>th</sup> Division, the assessment team visually inspected and recorded the serial numbers of 761 NVDs, a number of which were damaged or broken. The 11<sup>th</sup> Division had no apparent plan or process to fix the broken and/or damaged NVDs, send them to be repaired, or to dispose of them if they were irreparably damaged.

In the course of our assessment of NVDs at the Iraqi Army 11<sup>th</sup> Division, we interviewed the Deputy Chief of Staff for Logistics and the MOD Program Manager for EUM/EEUM. The deputy Chief of Staff for Logistics said, “We have problems with all sorts of equipment. Thank you for all the equipment; however, we have no mechanisms in place for inspections, accountability, control, and training.” He further stated that the 11<sup>th</sup> Division and the Iraqi Army in general, has received no training in how to store and maintain the NVDs. He also complained that the batteries that came with the NVDs were of low quality, discharging quickly or leaking.

### **Broken and/or Damaged NVDs at Taji Location Command**

At the TNSD Location Command, the assessment team visually inspected and recorded the serial numbers of 170 NVDs out of 867 stored at that location.



The batteries that power the NVDs were stored in the same plastic bag as the NVDs. We noted that several of the NVDs were possibly damaged due to these batteries leaking acid onto the device. The Location Command had no apparent documented plan or process to fix the broken and/or damaged NVDs, send them to be repaired, or to dispose of them if they were irreparably damaged.

**Figure 5: NVD Damaged by Leaking Battery**

### **Broken and/or Damaged NVDs at Iraqi Special Operations Forces**

At the ISOF Brigade in Baghdad, the assessment team held discussions with members of the Iraqi Special Forces and their U.S. advisors regarding the method of repair for NVDs not purchased under the FMS program. Some NVDs required maintenance; however, the ISOF Brigade did not have a process or plan to repair the NVDs themselves or to send them away for maintenance. MNSTC-I personnel present stated they believed this NVD repair and maintenance shortcoming would be handled in a future National Maintenance Contract.

In the meantime, a U.S. logistics advisor stated that NVDs purchased through the FMS program had been returned to the United States for routine repair, a process taking several months. Specifically, 159 ISOF Army-Navy Passive Vision System 7B (AN/PVS-7B) night vision goggles had been sent to the United States for maintenance. All 159 NVDs had been repaired and eventually returned.

### ***Conclusion***

For damaged and broken NVDs, there is no in-country ISF repair capability in place, or a disposition or exchange process. Nor are there policies and procedures for how to manage maintenance from the operator to the depot maintenance level.

### ***Recommendations, Client Comments, and Our Response***

4.a. We recommend that the Commander, Multi-National Security Transition Command-Iraq, in coordination with the Ministry of Defense, Ministry of Interior and Counter Terrorism Bureau, establish a maintenance capability for Iraqi Security Forces night vision devices.

#### **Client Comments**

Commander, MNSTC-I concurred. With GoI approval, MNSTC-I has completed a statement of work for contract NVD repair at Taji. A contract proposal is expected from the Army Electronics Command by February 12, 2009.

#### **Our Response**

Commander, MNSTC-I comments were responsive. We request a copy of the NVD maintenance/repair contract, once approved.

4.b. We recommend that the Commander, Multi-National Force-Iraq, in coordination with Commander, Multi-National Corps-Iraq and Commander, Multi-National Security Transition Command-Iraq, assist and mentor their counterparts in the Ministry of Defense, Ministry of Interior and Counter Terrorism Bureau in developing written policy and standard operating procedures for the repair or final administrative disposition of damaged night vision devices.

#### **Client Comments**

Commander, MNF-I concurred, noting that FRAGO 08-246 outlined a three-phased plan to facilitate the successful establishment of an operational and logically self-sufficient NVD repair capability that can be transitioned to and maintained by the GoI.

#### **Our Response**

Although Commander, MNF-I concurred with the recommendation, the client comments were only partially responsive. The response did not address development of written policy and SOPs by the MOD, MOI, and CTB for repair or final disposition of damaged NVDs. We request a copy of those policies, procedures, and SOPs, once completed.

## **Observation 5. Multi-National Security Transition Command-Iraq's Implementation of the Department of State Blue Lantern Program.**

MNSTC-I has not developed or implemented procedures for the execution of the DoS Blue Lantern Program, which requires routine EUM of NVDs procured through DCS and supplied to the ISF. MNSTC-I personnel were uncertain of the routine EUM requirements for NVDs procured through methods other than FMS.

This occurred because of a lack of clear definition of roles, responsibilities and requirements for Blue Lantern implementation in Iraq between DoD and DoS. In addition, MNSTC-I internal controls for the accountability of NVDs transferred to the ISF were, in general, insufficient to provide adequate oversight.

Additionally, within DoD, there was no guidance to the field from the Defense Technology Security Administration (DTSA) defining MNSTC-I's responsibility for NVDs procured through DCS, and therefore requiring routine EUM under the DoS Blue Lantern Program.

The use of multiple purchasing mechanisms for NVDs by MNSTC-I led to further confusion among its personnel regarding when and how routine EUM requirements applied.

As a result, MNSTC-I procured and provided approximately 19,000 NVDs under the auspices of the Blue Lantern program without "reasonable assurance" that the GoI was complying with the related requirements imposed by the USG with respect to use, transfer, and security of defense articles.

### ***Applicable Criteria***

**Arms Export Control Act, Section 40A.** "End-use Monitoring of Defense Articles and Services"

Sec 40A(2)(A) "shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification."

Sec 40A(2)(B) "shall be designed to provide reasonable assurance that the recipient is complying with the requirements imposed by the USG with respect to use, transfers, and security of defense articles and defense services; and such articles and services are being used for the purposes for which they are provided."

**International Traffic in Arms Regulations.** Implementing regulations for the Arms Export Control Act (AECA), specifies the United States Munitions List.

## **Foreign Assistance Act.**

- **Section 505.** Permits observation of use of articles, services, and training.
- **Section 515.** Requires overseas management of assistance and sales programs.

**Government of Iraq Section 505 Assurance Letter, dated August 14, 2004.** GoI agreement to provide the same level of security and accountability as the U.S. and to permit the USG to observe and review items sold under the security assistance program.

**DoD Directive 5105.72.** "Defense Technology Security Administration (DTSA)", July 28, 2005, establishes DTSA and defines its mission, responsibilities and functions, relationships, and authorities, as prescribed herein.

**DoD Instruction 2040.02.** "International Transfers of Technology, Articles, and Services," July 10, 2008, establishes policy, assigns responsibility, and provides instructions for the international transfer of dual-use and defense-related technology, articles, and services.

**DoD Instruction 5000.64.** "Accountability and Management of DoD-Owned Equipment and Other Accountable Property," November 2, 2006, provides policy and procedures for DoD-owned equipment and other accountable property and establishes policy and procedures to comply with 40 U.S.C. 524.

**DoD Instruction 5010.40.** "Managers' Internal Control Program Procedures," January 4, 2006, states that management internal control procedures are basic to USG accountability and are specified in this instruction.

**DoD 5105.38-M.** "Security Assistance Management Manual, Ch. 8," October 3, 2003. Specifies responsibilities for Security Assistance Organizations and U.S. Diplomatic Missions with Security Assistance responsibilities which:

- "Establish and maintain liaison with the U.S. Embassy's Blue Lantern representatives."
- "...verify the bona fides of proposed recipients and delivery of defense articles and services sold commercially and delivered under an export license."
- "Develop and promulgate country specific EUM policy, Standard Operating Procedures ..."

**DoD 5200.08-R.** "Physical Security Program," April 9, 2007, implements DoD policies and minimum standards for the physical protection of DoD personnel, installations, operations, and related resources; to include the security of weapons systems and platforms.

**MNSTC-I SAO Memorandum.** "Iraq Golden Sentry End-Use-Monitoring (EUM) SOP," September 12, 2008. Directs the SAO Golden Sentry point of contact to establish liaison with the U.S. Embassy Blue Lantern representative.

**MNSTC-I Memorandum, “Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” April 26, 2008.** April 26, 2008. Provides mandatory direction to all MNSTC-I personnel for the maintenance of material accountability through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the GoI.

**MNF-I Memorandum, “Implementation of Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNF-I FRAGO 08-302 [Iraqi Security Forces Night Vision Device Inventory], dated 031445CJUL08.** Directed an inventory of NVDs provided to the ISF, but only covered the Iraqi Army, not the various police organizations.

### ***MNSTC-I - Blue Lantern Program***

The Blue Lantern Program was established under section 40A of the AECA to monitor the end-use of commercially exported defense articles, services, and related technical data subject to licensing under the AECA. The program is administered by the Directorate of Defense Trade Controls, Bureau of Political-Military Affairs Bureau, DoS. They are responsible for administering the International Traffic in Arms Regulations, which implement the AECA. Blue Lantern end-use monitoring includes pre-license and post-shipment checks for DCS of United States Munitions List items. The program strives to provide a “reasonable assurance” that the recipient is complying with the requirements imposed by the USG with respect to use, transfer, and security of the defense articles and defense services. Furthermore, the Blue Lantern program is supposed to ensure that such articles and services are being used for the purposes for which they are provided.

In the case of Iraq, under National Security Presidential Directive-36, dated May 11, 2004, the DoD, and CENTCOM specifically, was delegated USG authority over security operations in Iraq. MNSTC-I received the training and equipping mission for the ISF, and for the related security assistance mission. Normally, this would have fallen under the authority of the Ambassador in a conventional Embassy operating environment. The host country government would procure U.S.-licensed military equipment that falls under Blue Lantern and the Embassy’s SAO would then perform EUM. In this case, the DoS believed that the responsibility for post-shipment delivery monitoring of NVDs under its Blue Lantern program devolved to MNSTC-I as the “actual procurer” of NVDs. However, MNSTC-I personnel did not fully understand the implications and responsibilities associated with post-licensing and shipment EUM requirements for monitoring of the NVDs under Blue Lantern.

The Security Assistance Management Manual provides specific details on the EUM process for items purchased through FMS, which are covered under DoD’s Golden Sentry Program. There

is no similar detailed guidance in place from either the DoS or DoD that applies to the Blue Lantern Program to guide MNSTC-I regarding its post-delivery responsibilities for those sensitive items procured through DCS with ISFF monies.

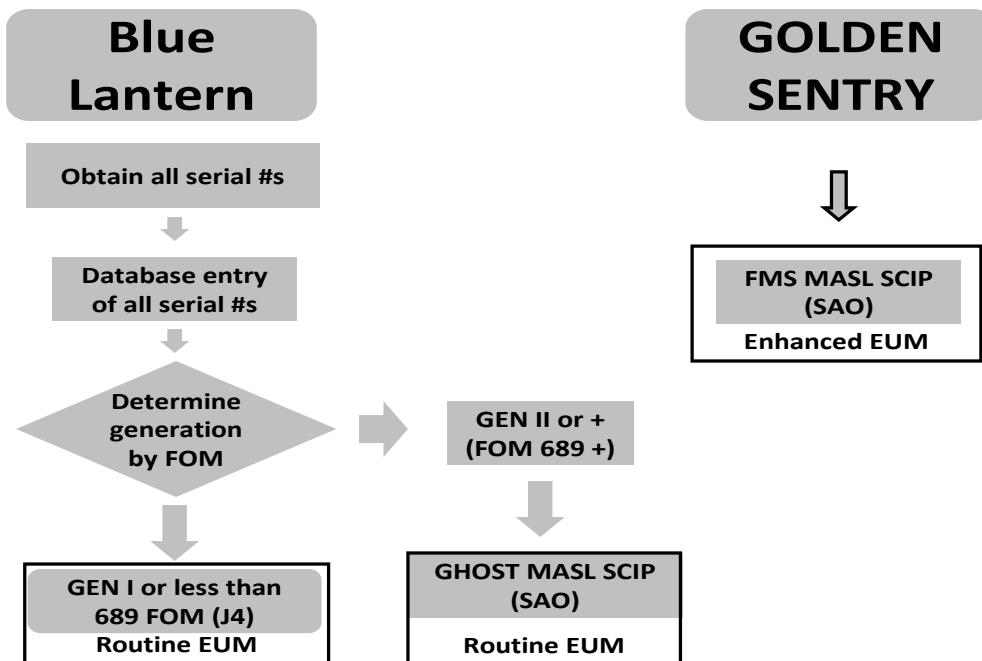
DTSA serves as the DOD agency responsible for administering the development and implementation of DoD technology security policies on international transfers of defense-related goods, services, and technologies, per DoD Directive 5105.72. Additionally, DoD Instruction 2040.02, “International Transfers of Technology, Articles, and Services,” states that DTSA prepares technology transfer control and enforcement policy guidance and coordinates overall application of DoD policy.

MNSTC-I personnel were generally aware of the purpose of Blue Lantern, but MNSTC-I’s SOPs did not specifically delineate its responsibilities and requirements for the program. The SAO “Iraq Golden Sentry End-Use-Monitoring (EUM) SOP,” directs the SAO Golden Sentry point of contact to “establish and maintain liaison with the U.S. Embassy Blue Lantern Program representatives,” but provides no guidance on how to implement the program. The MNSTC-I Logistics Accountability SOP does not mention Blue Lantern. The SAO EUM Officer responsible for the DoD Golden Sentry EUM program was fully aware of his EUM responsibilities for NVDs purchased via the FMS program. However, it was his understanding that J4 personnel were responsible for Blue Lantern routine EUM of NVDs purchased through DCS with ISFF. J4 personnel are responsible for all purchases made with ISFF, but they were not aware of their having any Blue Lantern routine EUM responsibilities for NVDs.

While in Iraq, the DoD IG team worked with DoS Blue Lantern representatives, the Defense Security Cooperation Agency (DSCA), the MNSTC-I SAO EUM Officer, and MNSTC-I J4 Officers to develop a process for MNSTC-I Blue Lantern compliance. (Refer to Figure 5, “Accountability of NVDs.”) MNSTC-I J4 and SAO will now obtain NVD types and serial numbers from the completed baseline inventory and record them in a MNSTC-I NVD database. Generation and figure of merit (FOM)<sup>13</sup> characteristics for the NVDs will be determined by the SAO and J4. Generation I NVDs and NVDs with a FOM of less than 689 will be kept in the NVD database and monitored under Blue Lantern routine EUM. Generation II NVDs and NVDs with a FOM of 689 or greater will be placed in the DSCA Security Cooperation Information Portal (SCIP) database under a “ghost” Military Articles and Services List for Blue Lantern routine EUM. Separating the NVDs requiring routine EUM under Blue Lantern in this way will allow MNSTC-I to prioritize scarce resources to account for NVDs with a greater technical and operational capability.

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<sup>13</sup> The figure of merit is calculated by multiplying the resolution x the signal to noise ratio. Generally used by the USG to designate the technical capability or “generation” of the device.



**Figure 6. Accountability of NVDs**

### ***Recommendations, Client Comments, and Our Response***

5.a. We recommend that the Commander, Multi-National Security Transition Command-Iraq ensure all Night Vision Device serial numbers from the completed baseline inventory are entered into a Night Vision Device database for routine End Use Monitoring under the Blue Lantern program, less those procured through actual Foreign Military Sales or pseudo-Foreign Military Sales case procedures.

### **Client Comments**

Commander, MNSTC-I concurred, noting that inventories of NVDs at Abu Ghraib, TNSD, and BPC had taken place between August and November 2008. During the inventories, all Generation II and higher level NVD serial numbers were entered into the Serial Number Database maintained by the MNSTC-I J4 Accountability Section and the data is available for EUM by the SAO office. MNSTC-I will continue to reconcile all data pertaining to GEN II or higher level NVDs.

### **Our Response**

Although Commander, MNSTC-I concurred with recommendation, the client comments were not responsive. When the NVD baseline inventory is completed, we recommend that the MNSTC-I J4 account for all NVDs, regardless of Generation, in the MNSTC-I J4 Accountability Section's J4 Serial Number Database. Those NVDs less than Generation II are still serial

numbered items and are accountable. The subset that are Generation II or higher should be handled as outlined in recommendation 5.b. We ask that MNSTC-I reconsider their response to recommendation 5.a.

5.b. We recommend that the Commander, Multi-National Security Transition Command-Iraq determine which night vision devices from the recommendation 5.a. database are Generation II and/or have a Figure of Merit of 689 or higher and enter their serial numbers into the Defense Security Cooperation Administration Security Cooperation Information Portal database for routine End Use Monitoring under the Blue Lantern Program.

## **Client Comments**

Commander, MNSTC-I concurred, noting that all serial numbers of Generation II or higher level NVDS are now being entered into the SCIP database maintained by the MNSTC-I SAO.

## **Our Response**

The client comments are responsive and conform to procedures coordinated with MNSTC-I, DSCA, and DoS during the assessment's fieldwork phase. No further comments are required.

5.c. We recommend that the Commander, Multi-National Security Transition Command-Iraq document and coordinate these procedures in internal Multi-National Security Transition Command-Iraq Standard Operating Procedures. (See Recommendation 6.a: Multi-National Security Transition Command-Iraq J4 Logistics Accountability Standard Operating Procedures.)

## **Client Comments**

Commander, MNSTC-I concurred. The MNSTC-I J4 will incorporate these procedures in the January 31, 2009 update of the Accountability SOP.

## **Our Response**

The client comments are responsive. While no additional comments are required, we request a copy of the updated Accountability SOP.

5.d. We recommend that the Commander, Multi-National Security Transition Command-Iraq use the Foreign Military Sales process for all future night vision device purchases, whether the funds come from the Iraqi Security Forces Fund or the Government of Iraq.

## **Client Comments**

Commander, MNSTC-I concurred. If the funding source for future NVD purchases is U.S.-controlled ISSF, the procurement will go through the FMS process. MNSTC-I will generate a FRAGO and a Commanding General policy letter to meet this intent. MNSTC-I will encourage the GoI to use the FMS process also, although they cannot be compelled to do so.

## **Our Response**

The client comments are responsive. While no additional comments are required, we request a copy of the referenced FRAGO and policy letter.

## ***Revised Recommendation***

Because of client comments, we revised draft recommendation 5.e., redirecting it from DTSA to DSCA, as written below.

5.e. We recommend that Director, Defense Security Cooperation Agency, in coordination with the Department of State, Defense Technology Security Administration, and Multi-National Security Transition Command-Iraq, issue clear policy guidance to Department of Defense elements for post-delivery End Use Monitoring requirements applicable to night vision devices and other sensitive items transferred to the Iraq Security Forces, purchased through Direct Commercial Sales.

## **Client Comments**

DTSA non-concurred with draft recommendation 5.e., stating that DSCA, vice DTSA, was responsible for DoD policy for EUM, citing a September 2001 memorandum from the Undersecretary of Defense for Policy that designated DSCA as the lead agency for DoD's EUM program. DTSA stated that DoS has EUM responsibilities for NVDs procured through DCS. DTSA went on to state that they are updating DoD's policy regarding international transfers and exports of night vision systems and related technology. The update should help enhance DoD's ability to ensure protection of critical night vision system capabilities.

## **Our Response**

While DoS normally has EUM responsibility for direct commercial sales items, to include NVDs, the situation in Iraq involving MNSTC-I is unique. MNSTC-I is the contract authority for NVDs using the ISFF, vice the GoI. In a letter dated August 29, 2008 to DSCA from DoS, the Acting Assistant Secretary, Bureau of Political Military Affairs writes "The Department's normal Blue Lantern procedures will not be conducted for MNSTC-I contracted material where MNSTC-I accepts delivery of the material for subsequent transfer to the Government of Iraq. This will remain a MNSTC-I responsibility."<sup>14</sup> Given the current situation in Iraq and the unique situation involving MNSTC-I, any EUM of NVDs procured through DCS will have to be done by MNSTC-I. Given the constant turnover of personnel in MNSTC-I, written policy and guidance is required to delineate the responsibilities of the players involved. Based on DTSA's comments and preliminary coordination with DSCA, we have redirected this recommendation to DSCA, as written above, and ask that they respond to the final report.

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<sup>14</sup> Letter from the Acting Assistant Secretary, Bureau of Political Military Affairs, Department of State, to Director, Defense Security Cooperation Agency, dated August 29, 2008.



## **Observation 6. Iraqi Special Operations Forces Night Vision Devices.**

During a judgmental sample inventory at the ISOF Brigade, it was determined that 167 AN/PVS-14 and 16 AN/PVS-7 NVDs were not properly accounted for in MNSTC-I records. In the case of the AN/PVS-14s, MNSTC-I had no record of procuring them.

Forty-one of the 167 AN/PVS-14 NVDs were still on the Combined Joint Special Operations Task Force-Arabian Peninsula property books.

It is possible that there are more AN/PVS-7 NVDs in the ISOF inventory that MNSTC-I has not accounted for since the judgmental sample only included 194 of ISOF's 755 AN/PVS-7s on-hand at the ISOF Brigade.

Several NVDs in the ISOF inventory were determined to exceed the maximum capability (1250 FOM) authorized for export to Iraq.

This apparently occurred because U.S. Special Forces personnel had transferred NVDs directly to their Iraqi counterparts or had replaced tubes on unserviceable NVDs. In some instances, the proper documentation of these transactions and coordination with MNSTC-I has not occurred. Nor were the U.S. Special Forces personnel mindful of the export ceiling on NVD FOM for Iraq.

The lack of serial number accountability for these or any other NVDs could lead to misappropriation and theft. Lack of accountability could also hinder criminal prosecutions and administrative actions against those involved in misappropriation and theft.

Transfer of NVDs to the ISF with capabilities exceeding export limitations could lead to a loss of technological advantage over potential adversaries.

### ***Applicable Criteria***

#### **Accountability and Control for U.S. Government Property.**

**Title 40 U.S.C., Section 524.** Requires accountability and control over USG property. It states:

- (a) Required. Each executive agency shall –
  - (1) maintain adequate inventory controls and accountability systems for property under its control.

**Arms Export Control Act Section 40A.** “End-use Monitoring of Defense Articles and Services”

Sec 40A(2)(A) “shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification.”

Sec 40A(2)(B) “shall be designed to provide reasonable assurance that the recipient is complying with the requirements imposed by the USG with respect to use, transfers, and security of defense articles and defense services; and such articles and services are being used for the purposes for which they are provided.”

**International Traffic in Arms Regulations.** Implementing regulations for AECA, specifies the United States Munitions List.

**Foreign Assistance Act (FAA).** Reorganized U.S. foreign assistance programs and separated military and non-military aid.

- Sec 505. Provides guidance on technology transfers and sensitive item procurement. Permits observation of use of articles, services, and training.
- Sec 515. Requires overseas management of assistance and sales programs.

## **Accountability and Control for DoD Property.**

**Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq.** “Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq,” September 25, 2008, establishes policy, assigns responsibilities, and sets forth procedures to certify the establishment of a registration and monitoring system for controlling the export and transfer of defense articles to the GoI and/or other groups, organizations, citizens, or residents of Iraq. It also designates the DSCA as the lead agent responsible for developing, implementing, and enforcing the registration and monitoring policy pursuant to section 1228, Public Law 110-181, “National Defense Authorization Act for Fiscal Year 2008,” January 28, 2008.

**DoD Instruction 5000.64.** “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006, provides policy and procedures for DoD-owned equipment and other accountable property and establishes policy and procedures to comply with 40 U.S.C. 524.

## **Sensitive Equipment Items.**

**Government of Iraq Section 505 Assurance Letter, dated August 14, 2004.** This document establishes the GoI’s agreement to provide the same level of security and accountability as the U.S. and to permit the USG to observe and review items sold under the security assistance program, to include sensitive items.

**DoD Directive 5105.72.** "Defense Technology Security Administration (DTSA)," July 28, 2005, establishes the DTSA and defines its mission, responsibilities and functions, relationships, and authorities, as prescribed herein.

**DoD Instruction 2040.02.** "International Transfers of Technology, Articles, and Services," July 10, 2008, establishes policy, assigns responsibility, and provides instructions for the international transfer of dual-use and defense-related technology, articles, and services, by implementing relevant portions of section 1701 et seq. of title 50, U.S.C.

**DoD 4100.39-M.** "Federal Logistics Information System," Volume 10, Table 61, November 2007, defines sensitive items.

**DoD 5105.38-M.** "Security Assistance Management Manual, Ch. 8," October 3, 2003, specifies responsibilities for Security Assistance Organizations and U.S. Diplomatic Missions with Security Assistance responsibilities which:

- "Establish and maintain liaison with the U.S. Embassy's Blue Lantern representatives."
- "... verify the bona fides of proposed recipients and delivery of defense articles and services sold commercially and delivered under an export license."
- "Develop and promulgate country specific EUM policy, Standard Operating Procedures ..."

**DoD 5200.08-R.** "Physical Security Program," April 9, 2007, implements DoD policies and minimum standards for the physical protection of DoD personnel, installations, operations, and related resources; to include the security of sensitive items.

**MNSTC-I Memorandum, "Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures," April 26, 2008.** Provides mandatory direction to all MNSTC-I personnel for the maintenance of material accountability, to include sensitive items, through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the GoI.

**MNF-I Memorandum, "Implementation of Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures," June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNSTC-I Policy Statement #15-08, "Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)" July 3, 2008.** The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and

control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

**MNSTC-I SAO Memorandum.** “Iraq Golden Sentry End-Use-Monitoring (EUM) SOP,” September 12, 2008. Directs the SAO Golden Sentry point of contact to establish liaison with the U.S. Embassy Blue Lantern representative to assist in establishing an EUM program for sensitive items of equipment licensed by DoS for export as a DCS.

**Night Vision Device Memoranda of Agreement with the Ministry of Defense, Ministry of Interior, and the Counter Terrorism Bureau, dated September 30, 2008, October 2, 2008, and October 2, 2008, respectively.** Earlier versions of these memoranda existed for the MOD (November 2005) and MOI (November 2006). They have been recently updated, as noted above. A new MOA was also established with the CTB. These memoranda establish specific accountability, control, and physical security requirements for the NVDs transferred to the ISF. They also establish reporting requirements and provide the basis for U.S. oversight.

### ***Iraqi Special Operations Forces Brigade Night Vision Devices***

Based on a briefing by the ISOF Brigade Logistics Officer and his U.S. Special Operations Forces counterpart regarding the Brigade’s NVD accountability and control program, we determined the following:

- The U.S. training team expressed a concern with the quality of the NVD equipment the Iraqis were receiving through ISFF-funded DCS, which were not as good of quality (build, practicality, and durability) as U.S. military type NVDs.
- The significant number of Canadian-produced NVDs in use were mounted on a harness worn under the helmet, which created problems with the hinged flip-up capability
- The Brigade’s preferred NVD is the U.S.-produced AN/PVS-7B/7D, which was designed for military use.
- ISOF conducts a 100 percent serial number inventory upon receipt of any NVDs. in order to add them to the ISOF unit records. It conducts monthly inventories thereafter.
- The ISOF units have company-level property books that they use to sign the NVDs (as well as other sensitive items such as firearms) in and out of the armory.
- There was a 100 percent serial number match with ISOF records when we inventoried 194 of the on-hand 755 AN/PVS-7s NVDs. (We identified two AN/PVS-7 NVDs with the same serial number, as recorded on the ISOF records.)



**Figure 7: NVD Inventory at the Iraqi Special Operations Forces Brigade**

- However, when results of this inventory were compared with data in the MNSTC-I SAO SCIP database for EUM, we determined the following:
  - Serial # 2306—listed in SCIP in wrong location (corrected).
  - Serial #s 2628, 2658, 2733, 2734, 2738, 2746, 2936, and 2988 were in SCIP database, location undetermined. (Updated to correct location.)
  - Serial #s 2888, 3014, 3102, 3105, 3106, 3108, 3111 not in SCIP database. (They were subsequently added to the database.)
- The ISOF had 167 AN/PVS-14 monocular night scopes that were not on the MNSTC-I serialized accountability list for EEUM, as required. The MNSTC-I SAO was not tracking them because they did not procure them via an ISFF-financed pseudo-FMS case. Although aware of the existence of these devices, MNSTC-I J4 had not been placed them in master NVD database.
- Indications are that these AN/PVS-14 NVDs were “given” to the ISOF by their U.S. Special Forces counterparts at sometime in the past.
- Subsequent research by MNSTC-I determined that 41 of the devices were still on the Combined Joint Special Operations Task Force—Arabian Peninsula property books (Unit Identification Code W4T340—Description SOCCENT ISOF ICTF Balad SOU, IZ). MNSTC-I personnel determined the location of these NVDs by using the Logistics

Information Warehouse Property Book Unit Supply Enhanced serial number tracker<sup>15</sup>.

- There was no established repair capability for NVDs procured through DCS, especially for non-U.S. NVDs. (MNSTC-I representatives believed this capability would be part of a revised MOD National Maintenance contract.) Consequently, U.S. trainers coordinated to send 159 AN/PVS 7s back to the United States for repair.
- The AECA and the International Traffic in Arms Regulations identify export restrictions on Generation II and above NVDs. The USG uses the FOM to determine the generation of NVDs. The maximum FOM for tubes exported to Iraq is 1250. In addition to the FOM restriction, the USG has not approved exports of NVDs with light interference filters to Iraq.<sup>16</sup>
- CTB signed a Letter of Request on August 16, 2008 to purchase via FMS 2,250 AN/PVS-7 and 2,250 AN/PVS-14 NVDs. The U.S. Army Security Assistance Command is developing the Letter of Acceptance. However, it is being held up until an investigation is completed involving 21 AN/PVS-7B NVDs with FOM in excess of 1250 having been found in the ISOF NVD inventory. Two additional sets had light interference filters on them. This was determined when 159 ISOF NVDs were sent back to the U.S. for maintenance. All 159 NVDs have been repaired and returned, to include the 21 with FOM in excess of 1250. Those tubes were replaced with tubes of an appropriate FOM (less than FOM 1250).
- It is possible that some of the remaining 596 AN/PVS-7s and 167 AN/PVS-14s in the ISOF Brigade inventory have FOM exceeding 1250 and/or have light interference filters installed.
- Additionally, the MNSTC-I SAO is working to determine the status of 294 AN/PVS-7 and 6 AN/PVS-10 NVDs procured for the ISOF on pseudo-FMS case AAB, but now believed to be in the possession of various U.S. Army units stationed outside of Iraq. (See Observation 8.)

## ***Recommendations, Client Comments, and Our Response***

6a. We recommend that the Commander, Multi-National Force-Iraq, in coordination with Multi-National Security Transition Command-Iraq and the Combined Joint Special Operations Task Force-Arabian Peninsula, determine the origin of the AN/PVS-14 Night Vision Devices in the Iraq Special Operations Forces inventory and how they were transferred to the custody of the Iraq Special Operations Forces.

## **Client Comments**

Commander, MNF-I concurred. Commander, MNC-I has published an order directing the Commander, Combined Joint Special Operations Task Force-Arabian Peninsula (CJSOTF-AP)

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<sup>15</sup> Logistics Information Warehouse Property Book Unit Supply Enhanced is a software system that allows serial number tracking of equipment across the Army.

<sup>16</sup> A light interference filter protects the eyes from lasers.

to determine the origin the origins of the AN/PVS-14 NVDs in the ISOF inventory and to adjust CJSOTF-AP property records to reflect the transfer of any NVDs to the ISOF.

## **Our Response**

The client comments are responsive. Although no additional comments are required, we request a report on the outcome of the MNC-I/CJSOTF-AP effort.

6.b. We recommend that the Commander, Multi-National Force-Iraq, in coordination with U.S. Central Command and U.S. Special Operations Command, consider restricting the Combined Joint Special Operations Task Force-Arabian Peninsula from further transfer of sensitive items, to include night vision devices, to the Iraq Special Operations Forces. If it becomes necessary on an exceptional basis to make such a transfer, ensure the capabilities of the night vision devices do not exceed that capability authorized for export to Iraq and that any such transfer is coordinated with Multi-National Security Transition Command-Iraq so that it can capture serial numbers and appropriately monitor the Night Vision Devices.

## **Client Comments**

Commander, MNF-I concurred. If it becomes necessary for CJSOTF-AP to make a transfer of NVDs directly to the ISOF, MNC-I will ensure that they do not exceed the capability authorized for export to Iraq and that any such transfer is coordinated with MNSTC-I to ensure serial number accountability.

## **Our Response**

The client comments are responsive. No additional comments are required.

6.c. We recommend that the Commander, Combined Joint Special Operations Task Force-Arabian Peninsula, in coordination with Multi-National Security Transition Command, complete the transactions required to drop from the Combined Joint Special Operations Task Force Property Book any night vision devices transferred to the Iraq Special Operations Forces.

## **Client Comments**

Commander, CJSOTF-AP did not respond to the draft report. However, Commander MNC-I has issued an order directing Commander, CJSOTF-AP to adjust property records to reflect the transfer of any NVDs to the ISOF. (See client comments to Recommendation 6.a.)

## **Our Response**

We ask that Commander, CJSOTF-AP respond to the final report.

6.d. We recommend that the Commander, Multi-National Security Transition Command-Iraq conduct another one hundred percent inventory of the night vision devices held by the Iraq Special Operations Forces.

## **Client Comments**

Commander, MNSTC-I concurred, noting that MNSTC-I plans a 100 percent inventory of ISOF NVDs on February 28, 2009.

## **Our Response**

The client comments are responsive. While no further comments are required, we ask that MNSTC-I inform us when the inventory is complete.

6.e.(1) We recommend that the Commander, Army Material Command, in coordination with the Defense Technology Security Administration and the Multi-National Security Transition Command–Iraq, determine if any of the remaining AN/PVS-7 and AN/PVS-14 night vision devices in the Iraqi Special Operation Forces exceed the capability authorized for export to Iraq.

## **Client Comments**

Commander, Army Material Command (AMC) concurred. In-country Logistics Assistance Representatives will complete this inspection in conjunction with the EUM requirement performed by MNSTC-I. The inspection of the NVDs will include removal of intensifier tubes and recording of serial numbers to determine the Generation and FOM of each tube on the spot, or later, if required.

## **Our Response**

The client comments are responsive. Although no additional comments are required, we ask that Commander, AMC inform us of the results of the inspection, once completed.

6.e.(2) We recommend that the Commander, Army Material Command, in coordination with the Defense Technology Security Administration and the Multi-National Security Transition Command–Iraq, develop a plan to replace any tubes and/or night vision devices found in the Iraqi Special Operations Forces that exceed the capability authorized for export to Iraq.

## **Client Comments**

Commander, AMC concurred. Any devices with tubes exceeding the prescribed level will be separated from other devices and sent to a facility-in-country for replacement. MNSTC-I will likely have to fund an FMS case for replacement tubes. Cross leveling of acceptable tubes among devices should minimize the number of devices remaining inoperative while new tubes are procured.

## **Our Response**

The client comments are responsive. Although no additional comments are required, we ask that Commander, AMC inform us of the final plan for replacement of tubes, if necessary.

## **Observation 7. Need to Update and Coordinate the Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures and the Security Assistance Office Standard Operating Procedures.**

The J4 Logistics Accountability SOP and the SAO Golden Sentry EUM SOP provide direction for the accountability and control of sensitive equipment supplied to the ISF. However, neither of the documents provided guidance for pseudo-FMS cases and, in some instances, the SOPs appeared to be in conflict with each other.

MNSTC-I personnel were generally not familiar with the oversight requirements associated with pseudo-FMS cases.

The SAO EUM SOP, signed in September 2008, makes no reference to:

- The MNSTC-I Logistics Accountability SOP, signed in April 2008;
- The MNF-I Chief of Staff Memorandum, signed in June 2008, directing implementation of the MNSTC-I Logistics Accountability SOP by all MNC-I units; or
- The MNSTC-I Policy Statement #15-08, signed in July 2008, requiring serial number inventories of sensitive items prior to transfer to the Iraqis and that shipments of equipment only be made to TNSD and BPC, except in exceptional circumstances.

As a result of the two SOPs not defining procedures for pseudo-FMS cases and lacking sufficient coordination, J4 and SAO personnel disagreed on their respective responsibilities for the accountability of sensitive items, including NVDs.

### ***Applicable Criteria***

**DoD 5105.38-M.** “Security Assistance Management Manual, Ch. 8,” October 3, 2003. Specifies responsibilities for Security Assistance Organizations and U.S. Diplomatic Missions with Security Assistance responsibilities.

**MNSTC-I Memorandum, “Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” April 26, 2008.** Provides mandatory direction to all MNSTC-I personnel for the maintenance of material accountability through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the GoI.

**MNF-I Memorandum, “Implementation of Multi-National Security Transition Command-Iraq (MNSTC-I) Logistics Accountability Standard Operating Procedures (SOP),” June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent

accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNSTC-I SAO Memorandum.** “Iraq Golden Sentry End-Use-Monitoring (EUM) SOP,” September 12, 2008. This directs the SAO Golden Sentry point of contact to establish liaison with the U.S. Embassy Blue Lantern representative.

**MNSTC-I Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)” 3 July 2008.** The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

### ***Multi-National Security Transition Command-Iraq-Night Vision Device Accountability***

The MNSTC-I J4 published its Logistics Accountability SOP in April 2008. It was subsequently implemented by MNC-I at the direction of a MNF-I Chief of Staff memorandum, signed June 2008. In July 2008, the MNSTC-I Commanding General signed Policy Statement #15-08 referencing the J4 SOP and directing its application to all MNSTC-I personnel, in addition to that in the J4. The J4 SOP provided guidance to all MNSTC-I and MNC-I personnel, including the SAO, for accountability and control of sensitive items and had a FMS section, but did not discuss pseudo-FMS cases.

The SAO “Iraq Golden Sentry End-Use Monitoring (EUM) SOP,” signed in September 2008, also specified accountability and other responsibilities for the J4, the Military Training Teams (MiTTs), and the SAO, but it did not reference the J4 SOP, nor did it discuss pseudo-FMS cases. Furthermore, it purported to task the MiTTs, although MNSTC-I SAO did not have this authority since they fall under the command authority of MNC-I.

Neither the J4 SOP nor the SAO SOP provided clear guidance for the handling of sensitive items purchased via a pseudo-FMS case, a security assistance program which uses ISFF funding and FMS procedures. MNSTC-I personnel did not understand that items purchased via the pseudo-FMS case process should provide the same oversight as regular FMS purchases for purposes of sensitive items monitoring under Golden Sentry. Consequently, their SOPs did not reflect these requirements. A sensitive item purchased through the FMS process, which requires EEUM, would still require EEUM if purchased through the pseudo-FMS case process and would require periodic inventories, as required by the Golden Sentry program.

In reference to ISFF monies, the J4 SOP states, “J4 is intrinsically involved in the tracking of material from vendor through to handover to the GoI.”<sup>17</sup> The SAO SOP also states that the J4 will monitor all purchases with ISFF funds, and tasks the SAO to monitor all purchases for FMS

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<sup>17</sup> J4 Logistics Accountability SOP, 26 April 2008, p 3.

cases, but does not include ISFF-purchased items via pseudo-FMS cases. An example where this has created confusion is the case of the 46 NVDs shipped in September 2008. The NVDs required EEUM because they were purchased through the Security Assistance program, but they did not get EEUM while in transit by either the SAO or J4. Neither SAO nor J4 responsible personnel sufficiently understood the pseudo-FMS case process or its requirements. This lack of clearly defined roles and responsibilities in MNSTC-I policy and procedures for pseudo-FMS cases has led to a failure to provide proper Golden Sentry EEUM for sensitive items procured using this procedure.

Furthermore, the SAO SOP directed MNC-I MiTTs to conduct routine EUM at ISF units and facilities, and further envisioned continued use of the MiTTs to conduct Golden Sentry inventories. However, the SAO SOP could not apply to the MiTTs, since MNSTC-I did not have authority over MNC-I, to which the MiTTs report. Neither MNC-I nor MNF-I documentation directed the MiTTs to comply with the MNSTC-I SAO SOP.

## ***Recommendations, Client Comments, and Our Response***

7.a We recommend that the Commander, Multi-National Security Transition Command-Iraq revise its J4 Logistics Accountability Standard Operating Procedures to incorporate the Security Assistance Office, “Iraq Golden Sentry End-Use Monitoring SOP,” and to include pseudo Foreign Military Sales case definitions, procedures, roles, and responsibilities.

### **Client Comments**

Commander, MNSTC-I concurred. The MNSTC-I J4 is coordinating with the SAO to incorporate EUM to include pseudo-FMS definitions, roles, and responsibilities.

### **Our Response**

The client comments are responsive. No additional comments are required.

7.b.(1) We recommend that the Commander, Multi-National Force-Iraq issue a directive requiring that Multi-National Corps-Iraq Military Training Teams and police trainers follow the revised Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures (recommendation 13.a) regarding transfer and accountability of equipment to the Iraqi Security Forces, to include sensitive items, such as Night Vision Devices.

### **Client Comments**

Commander, MNF-I concurred.

### **Our Response**

The client comments were responsive. Although no additional comments are required, we request a copy of the MNF-I directive requiring MNC-I trainers to follow the revised MNSTC-I Logistics Accountability SOP.

7.b.(2) We recommend that the Commander, Multi-National Force-Iraq issue a directive requiring that Multi-National Corps-Iraq Military Training Teams and police trainers assist the Multi-National Security Transition Command-Iraq J4 and Security Assistance Office to conduct routine End Use Monitoring for sensitive items under the Blue Lantern Program and Enhanced End Use Monitoring for sensitive items under the Golden Sentry Program.

## **Client Comments**

Commander, MNF-I concurred. They noted that this procedure will work only as long as MNC-I trainers are assigned to Iraqi military and police organizations. Once the Iraqi military and police organizations reach an acceptable level of readiness, the MNC-I trainers will no longer be assigned to them and EUM for NVDs will have to be accomplished through the usual SAO function.

## **Our Response**

The client comments are responsive. Although no additional comments are required, we request a copy the MNF-I directive requiring MNC-I trainers to assist MNSTC-I with routine EUM of sensitive items under the Blue Lantern and Golden Sentry Programs.

## **Observation 8. Misdirected Shipment of Iraqi Special Operations Forces Night Vision Devices to U.S. Army Units.**

MNSTC-I was not able to maintain adequate accountability and control over the 1057 AN/PVS-7 and 32 AN/PVS-10 NVDs that it had purchased via pseudo-FMS case AAB for the ISOF using the ISFF monies. These devices were mistakenly delivered to U.S. Special Forces units in the United States.

This occurred because MNSTC-I did not have sufficient external visibility and internal controls in place throughout the procurement and delivery cycle to account for and manage the NVDs acquired for distribution to the ISF.

As a result, MNSTC-I was unable to ensure that it received the NVDs it procured with ISFF monies and that they were provided to the ISOF to enhance its operational capability, as intended.

### ***Applicable Criteria***

**Title 40 U.S.C. section 524.** Requires accountability and control over USG property. It states:

- (a) Required. Each executive agency shall –
  - (1) maintain adequate inventory controls and accountability systems for property under its control.

**Public Law 109-13, “Emergency Supplemental Appropriations Act of Defense, the Global War on Terror, and Tsunami Relief, 2005,” May 11, 2005**, and public laws 109-234, 109-289, and 110-28 provided money for the ISFF, to be used to provide funding; equipment; supplies; services; training; facility and infrastructure repair, renovation, and construction for the security forces of Iraq.

**DoD Instruction 5000.64.** “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006 states that DoD Components shall:

5.2.1. Be accountable for and manage all property acquired, leased, or otherwise obtained throughout an asset's lifecycle: from initial acquisition and receipt, through accountability and custody, until formally relieved of accountability by authorized means, including disposition, or through a completed evaluation and investigation for lost, damaged, destroyed or stolen property.

5.2.2. Establish accountable property systems of record; ensure their appropriate integration with core financial and other systems and processes, particularly those for logistics and acquisition.

5.2.3. Establish implementing regulations and procedures, including the assessment and reporting of its overall property management maturity level.

**DoD 5105.38-M.** “Security Assistance Management Manual,” October 3, 2003. Provides guidance for the administration and implementation of Security Assistance and related activities in compliance with the Foreign Assistance Act, the AECA, and related statutes and directives.

DoD 5105.38-M also states that DoD 5100.76-M defines sensitive AA&E and outlines mandatory procedures for handling, storing, protecting, securing, and transporting it. The AA&E procedures in DoD 5100.76-M also apply to FMS transfers. Sensitive AA&E are items such as small arms weapons, various types of ammunition, explosives, and special items, such as night vision devices, that pose a special danger to the public if they fall into the wrong hands.

## Background

On September 30, 2005, MNSTC-I, via the Commander, US Army Communications-Electronics Command purchased 1,057 PVS-7 and 32 AN/PVS-10 Generation II Night Vision Goggles from the US Night Vision Corporation in Costa Mesa, California (Contract No. W15P7T-05-P-C215). The NVDs were destined for the ISOF Brigade and were ordered on pseudo-FMS case AAB.

For undetermined reasons, the Army Communications-Electronics Command contract listed “5<sup>th</sup> SFG A ..... DEFAULT” (5<sup>th</sup> Special Forces Group at Fort Campbell, Kentucky) in the “Deliver To” box on the contract documentation. However, a continuation sheet attached to the contract directed US Night Vision to contact the Defense Contract Management Agency for shipping instructions.

Ultimately, US Night Vision did not deliver the NVDs to MNSTC-I, but shipped the 1,057 PVS-7 NVDs to U.S.-based units as follows:

<u>Date</u>	<u>Quantity</u>	<u>Destination</u>
12/28/2005	190	10 <sup>th</sup> Special Forces Group (SFG) Fort Carson, Colorado
2/23/2006	200	10 <sup>th</sup> SFG, Ft. Carson, CO
3/30/2006	100	10 <sup>th</sup> SFG, Ft. Carson, CO
4/17/2006	200	10 <sup>th</sup> SFG, Ft. Carson, CO
5/11/2006	100	10 <sup>th</sup> SFG, Ft. Carson, CO
6/6/2006	230	10 <sup>th</sup> SFG, Ft. Carson, CO
7/17/2006	<u>37</u> 1,057	5 <sup>th</sup> SFG, Fort Campbell, KY

The 32 AN/PVS-10s were all shipped to 5<sup>th</sup> SFG, Ft. Campbell, KY.

Subsequently, by undetermined means, 763 of the 1,057 AN/PVS-7 NVDs and 26 of the 32 AN/PVS-10 were transported to Iraq and turned over to the ISOF. Those NVDs are listed on the

ISOF property book by serial number. Deploying units from the SFGs in Colorado and Kentucky may have hand-carried the NVDs to Iraq and turned them over directly to the ISOF, bypassing MNSTC-I.

However, at the time of the OIG assessment team visit in November, 2008, 294 of the 1,057 AN/PVS-7s and six of the AN/PVS-10s still had not been transported to MNSTC-I and turned over to the ISOF.

## The Undelivered NVDs

During the months leading up to the assessment team visit in November 2008, MNSTC-I made a concerted effort to track down these missing NVDs. According to MNSTC-I, six of the AN/PVS-10s were still with 5<sup>th</sup> SFG at Ft Campbell, KY. The remaining 294 AN/PVS-7 NVDs were in the possession of various U.S. military units outside Iraq as follows:

<u>Quantity</u>	<u>Location</u>
5	A Co 602 <sup>nd</sup> Engineer Battalion, Camp Stanley, Republic of Korea
8	150 <sup>th</sup> Engineer Battalion, USARNG, MS
22	Headquarters Company, 779 <sup>th</sup> Engineer Battalion, Fort Bragg, NC
97	146 <sup>th</sup> Signal Battalion, Jacksonville, FL
1	228 <sup>th</sup> Medical Company, Ft Sam Houston, TX
93	20 <sup>th</sup> SFG, MS
1	786 <sup>th</sup> Combat Support Battalion, Virgin Islands
37	5 <sup>th</sup> S FG, KY
30	Unknown

The assessment team followed up with the 146th SIG BN and the 20<sup>th</sup> SFG. They confirmed that, in fact, they had the respective AN/PVS-7 NVDs and have them listed on their property books, by serial number, and that the NVDs were now authorized by their Military Table of Organization and Equipment. Furthermore, the six AN/PVS-10s were confirmed as still being with the 5<sup>th</sup> SFG at Ft. Campbell, KY, which indicated it intended to transport them to Iraq and turn them over to MNSTC-I by January 2009.

Further, according to the 5<sup>th</sup> SFG, in October 2008, they hand carried their 37 NVDs to Iraq and turned them over to the CJSOTF-AP in Balad, supposedly for transfer to MNSTC-I. However, 24 of the 37 NVDs now are on the CJSOTF property book, by serial number. The location of the remaining 13 NVDs is currently unknown. As of the date of this report, none of the 37 NVDs shipped to the 5<sup>th</sup> SFG were delivered to MNSTC-I.

The result is that 294 AN/PVS-7 and six AN/PVS-10 NVDs, purchased by MNSTC-I via pseudo-FMS case AAB using ISFF monies, were not provided to the ISOF and are now in the inventory of various U.S. Army units. This was not the intended end state for this ISFF-procured equipment.

The scope of the corrective action for this particular issue involving case AAB requires an organizational reach beyond the capability of MNSTC-I.

## **Iraqi Security Forces Funds**

Public Laws 109-13 directs that the appropriated money in the ISFF be used for training and equipping of the ISF. Use of these funds for any other purpose may constitute a violation of the Anti-deficiency Act, which “prohibits making or authorizing an expenditure from, or creating or authorizing an obligation under, any appropriation or fund in excess of the amount available in the appropriation or fund unless authorized by law,” as quoted from 1 U.S.C. § 1341(a)(1) (A). However, this specific situation could be viewed as a property management issue since the original purchase of the NVDs appears to be consistent with the intent of Congress. Moreover, the problem developed only after diversion of the NVDs from delivery to their purchaser, which was MNSTC-I.

We coordinated with the Under Secretary of Defense—Comptroller and they agreed that this situation was not a willful violation of public law as MNSTC-I acted in accordance with the law when they contracted for the NVDs. The subsequent migration of the MNSTC-I-procured NVDs into U.S. Army organizations was a property accountability issue and should be addressed as such.

## ***Revised, Deleted, or Renumbered Recommendations***

Because of draft client comments, we eliminated recommendation 8.b. as written in the draft report. Draft recommendation 8.a. was renumbered to 8. The recommendation was redirected from the Joint Staff J4 to the Army G4.

## ***Recommendations, Client Comments, and Our Response***

8. We recommend that the Office of the Deputy Chief of Staff, Army G4, in coordination with the United States Central Command, the Multi-National Force Iraq, and the Multi-National Security Transition Command-Iraq, develop a plan to recover and/or replace the 294 AN/PVS-7 and six AN/PVS-10 night vision devices still not delivered to the Multi-National Security Transition Command-Iraq, thus enabling it to provide them to the Iraqi Special Operations Forces.

## **Client Comments**

The Joint Staff J4 provided draft comments indicating they non-concurred with the draft recommendation assigning them responsibility for the recommendation. They indicated that Army G4 should be responsible for correcting this situation.

## ***Our Response***

Although we have yet to receive a signed response from the Joint Staff J4, we have coordinated with the J4 about their proposal that we redirect this recommendation to the Army G4. The Action Officer in the Army G4 was included in this coordination. He expects the recommendation in the final report to come to the Army G4 for action. We redirected this recommendation to the Army G4 and ask that they respond to the final report.



## **Observation 9. Transition of Supply Management to the Iraqi Security Forces.**

The MNSTC-I LMAT maintained control and custody over all classes of supply (minus ammunition) stored at the KMTB Location Command. The LMAT did not have a plan to transition operational control and responsibility for the KMTB Location Command over to the ISF.

This resulted from the apparent failure of MNSTC-I to coordinate with MoD for the transition of this responsibility to the Iraqi Army at the Location Command and to issue appropriate planning guidance to the LMAT.

By not transferring the lead for logistics operations at the KMTB Location Command from the LMAT to the Iraqi Army elements, the latter were not being mentored in maintaining accountability and control over sensitive military equipment, such as NVDs, and were not gaining necessary experience in carrying out this responsibility. This could lead to a loss of accountability of sensitive items, to include NVDs, at some point in the future.

### ***Applicable Criteria***

**Government of Iraq Section 505 Assurance Letter, dated August 14, 2004.** GoI agreement to provide the same level of security and accountability as the U.S. and to permit the USG to observe and review items sold under the security assistance program.

**DoD Directive 3000.05.** "Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations," November 28, 2005, provides guidance on stability operations that will evolve over time as joint operating concepts, mission sets, and lessons learned develop and establishes DoD policy and assigns responsibilities within the DoD for planning, training, and preparing to conduct and support stability operations.

**MNSTC-I Memorandum, "Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures," April 26, 2008.** This memorandum provided mandatory direction to all MNSTC-I personnel for the maintenance of materiel accountability through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the Government of Iraq.

**MNF-I Memorandum, "Implementation of Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures," June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directed all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNSTC-I Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (GoI)” 3 July 2008.** The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

### ***Background***

During our visit to the KMTB Location Command, the DoD IG Assessment Team received a briefing on KMTB operations from both the Iraqi Army Operations Officer and the LMAT officer in charge. They both stated that the LMAT maintained control and accountability of all classes of supply, to include NVDs, with the exception of ammunition. The LMAT also maintained custody of the keys for the supply buildings, and the Iraqis came to the LMAT in order to have equipment issued.

The LMAT Officer in charge indicated that the Iraqi Army officers at the KMTB Location Command did not want to sign for the equipment or supplies the LMAT had on-hand and did not want to be responsible for this aspect of the logistics operation at the Location Command. The Iraqi officers believed that did not have sufficient staff, training, or experience.

After checking with LMATs at the other Location Commands across Iraq, MNSTC-I informed the DoDIG Assessment Team that the situation was unique to the KMTB Location Command. MNSTC-I J4 representatives stated that they would assist the LMAT in transitioning responsibility for the KMTB Location Command to the Iraqi Army.

### ***Recommendation, Client Comments, and Our Response***

9. We recommend that Commander, Multi-National Security Transition Command-Iraq develop and implement a plan to transition accountability and control over all classes of supply at Kirkush Military Training Base Location Command—including night vision devices—to the Iraqi Army.

### ***Client Comments***

Commander, MNSTC-I concurred, noting that the Iraqi Commander of the Kirkush Location Command had been directed by his superiors to complete inventories of the equipment at the Location Command and to sign for all equipment from the Kirkush LMAT by January 31, 2009.

### ***Our Response***

The client comments were responsive. No additional comments are required.

## Appendix A. Scope, Methodology, and Acronyms

We conducted this assessment from August 18, 2008 to January 2, 2009 in accordance with the *Quality Standards for Inspections* and visited sites in Iraq from October 26, 2008 to November 12, 2008. We planned and performed the assessment to obtain sufficient and appropriate evidence to provide a reasonable basis for our observations, conclusions, and recommendations, based on our assessment objectives.

We reviewed documents such as Federal Laws and regulations, including the National Defense Authorization Act, the Foreign Assistance Act, the Arms Export Control Act, and the Security Assistance Management Manual, and appropriate MNF-I, MNC-I, and MNSTC-I guidance.

The scope of our assessment was to determine whether current accountability, control, and physical security over the distribution of NVDs provided to the security forces of Iraq was adequate.

We examined policies and procedures for the accountability and control of NVDs purchased for the ISF via DCS, FMS, and pseudo-FMS. We examined the processes used to control the receipt, storage, and issue of NVDs from the arrival at the Iraq port of entry through the subsequent transfer to ISF military and police units. Additionally, we reviewed the policies employed by both U.S. and Iraqi forces to ensure the proper accountability and physical security of NVDs procured for the ISF.

The NVD Team chronology was:

August 2008	NVD Assessment Team established
August – October 2008	Fieldwork – CONUS
October – November 2008	Fieldwork – Iraq
November 2008	Outbriefs to MNF-I, MNC-I, MNSTC-I staff
November – December 2008	Analysis and Report-writing
December 2008	Draft assessment report issued
January 2009	Management comments received and evaluated

## **Limitations**

We limited our review to DoD-funded and FMS programs supporting the security forces of Iraq.

## **Use of Computer-Processed Data**

We did not utilize any computer-processed data in this assessment.

## **Use of Technical Assistance**

We did not use Technical Assistance to perform this assessment.

## **Acronyms Used in this Report**

The following is a list of the acronyms used in this report.

AECA	Arms Export Control Act
AGW	Abu Ghraib Warehouse
AMC	Army Material Command
AN/PVS	Army-Navy Passive Vision System
ATN	American Technologies Network
BPC	Baghdad Police College
CJSOTF-AP	Combined Joint Special Operations Task Force-Arabian Peninsula
CTB	Counter Terrorism Bureau
DCS	Direct Commercial Sales
DoD	Department of Defense
DoD IG	Department of Defense Inspector General
DoS	Department of State
DSCA	Defense Security Cooperation Agency
DTSA	Defense Technology Security Administration
EEUM	Enhanced End Use Monitoring
EUM	End Use Monitoring
FMS	Foreign Military Sales
FOM	Figure of Merit
FRAGO	Fragmentary Order - a change to an Operations Order
GoI	Government of Iraq
ISF	Iraqi Security Forces
ISFF	Iraqi Security Forces Fund
ISOF	Iraqi Special Operations Forces
KMTB	Kirkush Military Training Base
LMAT	Logistics Military Assistance Team
MITT	Military Training Team
MNC-I	Multi-National Corps-Iraq
MNF-I	Multi-National Force-Iraq
MNSTC-I	Multi-National Security Transition Command-Iraq
MOA	Memorandum of Agreement
MOD	Ministry of Defense (Iraq)
MOI	Ministry of Interior (Iraq)
NVD	Night Vision Device

SAO	Security Assistance Office
SFG	Special Forces Group
SCIP	Security Cooperation Information Portal
SOP	Standard Operating Procedure
TNSD	Taji National Supply Depot
U.S.C.	United States Code
USG	United States Government



## **Appendix B. Summary of Prior Coverage**

During the last three years, the Government Accountability Office (GAO), the Special Inspector General for Iraq Reconstruction (SIGIR), and the Department of Defense Inspector General (DoD IG) have issued a number of reports and testimony discussing the accountability and control over U.S.-funded equipment provided to the Iraqi Security Forces, and Foreign Military Sales to the Iraqi Security Forces.

Unrestricted GAO reports can be accessed over the Internet at <http://www.gao.gov>. Unrestricted SIGIR reports can be accessed over the Internet at <http://www.sigir.mil>. Unrestricted DoD IG reports can be accessed over the Internet at <http://www.dodig.mil/audit/reports> or at <http://www.dodig.mil/inspections/ie/reports>.

Some of the prior coverage we used in preparing this report has included:

### **Congressionally Initiated Reports**

“The Report of the Independent Commission on the Security Forces of Iraq,” September 2007.

U.S. House of Representatives, Committee on Armed Services, Subcommittee on Oversight & Investigations, “Stand Up and Be Counted: The Continuing Challenge of Building the Iraqi Security Forces,” July 2007.

### **GAO**

GAO-08-568T, “Actions Needed to Address Inadequate Accountability over U.S. Efforts and Investments,” March 2008.

GAO-07-711, “Stabilizing Iraq: DOD Cannot Ensure That U.S.-Funded Equipment Has Reached Iraqi Security Forces,” July 2007.

GAO-07-637T, “Stabilizing Iraq: Preliminary Observations on Budget and Management Challenges of Iraq’s Security Ministries,” March 2007.

GAO-07-582T, “Operation Iraqi Freedom: Preliminary Observations on Iraqi Security Forces’ Logistical Capabilities,” March 2007.

GAO-07-503R, Operation Iraqi Freedom: Preliminary Observations on Iraqi Security Forces’ Logistics and Command and Control Capabilities, March 2007.

GAO-07-120C, Operation Iraqi Freedom: Preliminary Observations on Iraqi Security Forces’ Support Capabilities, March 2007.

## **SIGIR**

SIGIR-06-033, “Iraqi Security Forces: Weapons Provided By the U.S. Department of Defense Using the Iraq Relief and Reconstruction Fund,” October 2006, SIGIR-06-032, “Iraqi Security Forces: Review of Plans to Implement Logistics Capabilities, October 2006.

## **DoD IG**

DoD IG Report No. SPO-2009-002, “Report on the Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Logistics Sustainment for the Iraqi Security Forces,” December 19, 2008.

DoD IG Report No. SPO-2009-001, “Assessment of Arms, Ammunition, and Explosives Control and Accountability; Security Assistance; and Sustainment for the Afghan National Security Forces,” October 24, 2008.

DoD IG Report No. SPO-2008-001, “Assessment of the Accountability of Arms and Ammunition Provided to the Security Forces of Iraq (CLASSIFIED),” July 3, 2008.

DoD IG Report No. D-2008-026, “Management of the Iraqi Security Forces Fund in Southwest Asia - Phase III,” November 30, 2007.

## Appendix C. Glossary

This appendix provides definitions of terms used in this report.

**Accountability** - DoD Instruction 5000.64, “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006, states that accountability is the obligation imposed by law, lawful order, or regulation, accepted by an organization or person for keeping accurate records, to ensure control of property, documents, or funds, with or without physical possession. The obligation, in this context, refers to the fiduciary duties, responsibilities, and obligations necessary for protecting the public interest. However, it does not necessarily impose personal liability upon an organization or person.

**Direct Commercial Sale** – A transaction where a foreign government or of DoD entity (MNSTC-I, in the case of Iraq) contracts directly with a vendor for defense articles or services.

**Blue Lantern Program** - State Department end use monitoring of the commercial export of defense articles, services, and related technical data subject to licensing.

**Enhanced End Use Monitoring** - Required by the DoD Golden Sentry Program for sensitive defense articles, services, and technologies; defense articles provided under the provision of FAA, section 505(f); and technology transfers made within sensitive political situations. For sensitive articles and/or services, Letters of Offer and Acceptance (LOAs) may contain specialized notes or provisos requiring greater physical security and accountability contingent on the principle of trust with verification. Enhanced End Use Monitoring of these items may require a compliance visit to the host Government by a Defense Security Cooperation Agency (DSCA) led team.

**Foreign Military Sales Cases** - The Foreign Military Sales (FMS) Program is that part of security assistance authorized by the Arms Export Control Act and conducted using formal agreements between the U.S. Government and an authorized foreign purchaser or international organization.

Those agreements, called Letters of Offer and Acceptance (LOA), are signed by both the U.S. Government and the purchasing government or international organization. The LOA provides for the sale of defense articles and/or defense services (to include training) usually from DoD stocks or through procurements under DoD-managed contracts. As with all security assistance, the FMS program supports U.S. foreign policy and national security objectives.

DoD Financial Management Regulation Volume 15, Definitions, April 2002 (current as of July 17, 2008), defines a FMS case as a U.S. DoD LOA and associated supporting and executing documents.

**Foreign Military Sales Pseudo Cases** – According to personnel at the Defense Security Cooperation Agency, the pseudo LOA or case is used by the U.S. Government to track the sale

of defense articles and/or services (to include training and design and construction services) and are generally funded by the USG (for example, the U.S. Government DoD funding provided to the Afghanistan Security Forces Fund is used to fund pseudo FMS cases for Afghanistan).

The pseudo LOA itemizes the defense articles and services included in the Letter of Request. However, the pseudo LOA is not signed by the foreign purchaser or international organization receiving the articles and/or services. The pseudo LOA is authorized by public law and the Arms Export Control Act.

**Golden Sentry Program** - Defense Department routine and enhanced end use monitoring of defense articles and services provided to foreign customers or international organizations through government-to-government programs, to include foreign military sales.

**Implementing Agency** - According to the “FMS Customer Financial Management Handbook (Billing),” the U.S. Military Department or Defense Agency responsible for the execution of military assistance programs. With respect to FMS, the Military Department or Defense Agency assigned responsibility by the Defense Security Assistance Agency to prepare an LOA and to implement an FMS case. (In the case of Iraq, this is MNSTC-I.) The implementing agency is responsible for the overall management of the actions that will result in delivery of the materials or services set forth in the LOA, which was accepted by a foreign country or international organization.

**Logistics** - Joint Publication 1-02 states that logistics is the science of planning and carrying out the movement and maintenance of forces. In its most comprehensive sense, those aspects of military operations that deal with:

- design and development, acquisition, storage, movement, distribution, maintenance, evacuation, and disposition of materiel;
- movement, evacuation, and hospitalization of personnel;
- acquisition or construction, maintenance, operation, and disposition of facilities; and
- acquisition or furnishing of services.

**Routine End Use Monitoring** - Routine EUM is conducted under the DoS Blue Lantern Program (Direct Commercial Sale) or the DoD Golden Sentry Program on defense articles and services that are transferred to trusted partners. In the case of Golden Sentry, the LOAs for these articles and/or services do not include any unique notes and/or conditions associated with the specific transfer. Routine EUM responsibilities are performed in conjunction with other required security assistance duties.

**Section 1228 of the 2008 National Defense Authorization Act** - Directs the President to implement a policy to control the export and transfer of defense articles into Iraq, and to implement a defense articles registration and monitoring system.

**Security Assistance Organizations** - DoD Directive 2055.3, “Manning of Security Assistance Organizations and the Selection and USDP Training of Security Assistance Personnel,” March 11, 1985, defines security assistance organizations as all DoD Component elements, regardless of actual title, located in a foreign country with assigned responsibilities for carrying out security assistance management functions under Section 515 of Public Law 87-195, “Foreign Assistance Act of 1961,” September 4, 1961 (22 U.S.C. 2151 et seq.).



# Appendix D. Organizations Contacted and Visited

We visited, contacted, or conducted interviews with officials (or former officials) from the following U.S. and Iraqi organizations:

## United States

### ***Department of State***

- Officials assigned to the Office of Defense Trade Controls Compliance

### ***Department of Defense***

- Officials assigned to The Under Secretary of Defense for Acquisition, Technology, and Logistics

### ***Department of the Army***

- Officials assigned to the U.S. Army Security Assistance Command

### ***U.S. Special Operations Command***

- Night Vision Device Program Manager

### ***U.S. Central Command***

- Commander, Multi-National Force-Iraq and key staff members (to include the Commercial Logistics Distribution Agency and Abu Ghraib Warehouse)
- Chief of Staff, Multi-National Corps-Iraq and key staff members
- Commander, Multi-National Security Transition Command-Iraq and key staff members
- Commander, Joint Contracting Command-Iraq/Afghanistan and key staff members

### ***Defense Agencies***

- Officials assigned to the Defense Security Cooperation Agency
- Officials assigned to the Defense Technology Security Administration

## Government of Iraq

### ***Ministry of Defense***

- Inspector General
- Deputy Chief of Staff-Logistics

- Inspector General, Iraqi Joint Headquarters
- Commander, Location Command
  - Taji
  - Kirkush Military Training Base
- Commander, Taji National Supply Depot
- Commander, 11<sup>th</sup> Division, Iraqi Army
- 1<sup>st</sup> Iraq Special Operations Forces Brigade
- Night Vision Device Program Manager

### ***Ministry of Interior***

- Inspector General
- Assistant Deputy Minister for Infrastructure
- Iraqi Police Units
  - Baghdad Police College
- Night Vision Device Program Manager

### ***Counter Terrorism Bureau***

- Night Vision Device Program Manager

# Appendix E. United States Code and DoD Policies

United States Code (U.S.C.) requires accountability and control over U.S. Government property. DoD policies that apply to the accountability and control and the physical security of property to include arms and ammunition that implement the U.S.C. are outlined in this appendix. In addition, DoD policy governing the management of security assistance is also discussed.

**Title 40, United States Code, section 524 (10 U.S.C. 524).** Title 40 U.S.C., section 524, requires accountability and control over U.S. Government property. It states:

- (a) Required. Each executive agency shall –
  - (1) maintain adequate inventory controls and accountability systems for property under its control

**Arms Export Control Act (AECA) Section 40A.** “End-use Monitoring of Defense Articles and Services”

Sec 40A(2)(A) “shall provide for the end-use monitoring of defense articles and defense services in accordance with the standards that apply for identifying high-risk exports for regular end-use verification.”

Sec 40A(2)(B) “shall be designed to provide reasonable assurance that the recipient is complying with the requirements imposed by the USG with respect to use, transfers, and security of defense articles and defense services; and such articles and services are being used for the purposes for which they are provided.”

**Foreign Assistance Act, section 505 and 515.** The Foreign Assistance Act provides guidance on technology transfers and sensitive item procurement.

- **Section 505.** Permits observation of use of articles, services, and training.
- **Section 515.** Requires overseas management of assistance and sales programs.

**International Traffic in Arms Regulations (ITAR).** Implementing regulations for AECA, specifies the United States Munitions List (USML).

**Public Law 109-13, “Emergency Supplemental Appropriations Act of Defense, the Global War on Terror, and Tsunami Relief, 2005,” May 11, 2005,** and public laws 109-234, 109-289, and 110-28 provided money for the Iraqi Security Forces Fund (ISFF), to be used to provide funding; equipment; supplies; services; training; facility and infrastructure repair, renovation, and construction for the security forces of Iraq

**Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq, September 25, 2008.** This document establishes policy, assigns responsibilities, and sets forth procedures to certify the establishment of a registration and monitoring system for controlling the export and transfer of defense articles to the Government of Iraq (GoI) and/or other groups, organizations, citizens, or residents of Iraq. It also designates the Defense Security Cooperation Agency (DSCA) as the lead agent responsible for developing, implementing, and enforcing the registration and monitoring policy pursuant to section 1228, Public Law 110-181, “National Defense Authorization Act for Fiscal Year 2008,” January 28, 2008.

**DoD Directive 3000.05.** “Military Support for Stability, Security, Transition, and Reconstruction (SSTR) Operations,” November 28, 2005, provides guidance on stability operations that will evolve over time as joint operating concepts, mission sets, and lessons learned develop and establishes DoD policy and assigns responsibilities within the DoD for planning, training, and preparing to conduct and support stability operations.

**DoD Directive 5105.72.** “Defense Technology Security Administration (DTSA)”, July 28, 2005, establishes the Defense Technology Security Administration (DTSA) and defines its mission, responsibilities and functions, relationships, and authorities, as prescribed herein.

**DoD Instruction 2040.02.** “International Transfers of Technology, Articles, and Services,” July 10, 2008, establishes policy, assigns responsibility, and provides instructions for the international transfer of dual-use and defense-related technology, articles, and services.

**DoD Instruction 5000.64.** DoDI 5000.64, “Accountability and Management of DoD-Owned Equipment and Other Accountable Property,” November 2, 2006:

- Provides policy and procedures for DoD-owned equipment and other accountable property and establishes policy and procedures to comply with 40 U.S.C., section 524.
- Requires that accountable property records shall be established for all property purchased, or otherwise obtained, that are sensitive as defined in DoD 4100.39-M, “Federal Logistics Information System,” Volume 10, Table 61, November 2007.

**DoD Instruction 5010.40.** DoDI 5010.40, “Managers’ Internal Control Program Procedures,” January 4, 2006, states that management internal control procedures are basic to US Government accountability and are specified in this instruction. DoDI 5010.40, E3.14, identifies operational and administrative controls for Security Assistance Management of Foreign Military Sales.

**DoD Instruction 5100.76.** DoDI 5100.76, “Safeguarding Conventional Arms, Ammunition, and Explosives (AA&E) and the AA&E Physical Security Review Board,” October 8, 2005, and related guidance cited in those Instructions apply to the accountability and control of AA&E and other designated sensitive items provided to ISF. DoDI 5100.76 outlines the authorities, responsibilities, and functions relative to worldwide uniform policy, standards, and guidance for the physical security of conventional AA&E in the possession or custody of the DoD Components.

**DoD 5105.38-M.** DoD 5105.38-M, “Security Assistance Management Manual,” October 3, 2003, provides guidance for the administration and implementation of Security Assistance and related activities in compliance with the Foreign Assistance Act, the Arms Export Control Act, and related statutes and directives.

DoD 5105.38-M also states that DoD 5100.76-M defines sensitive AA&E and outlines mandatory procedures for handling, storing, protecting, securing, and transporting it. The AA&E procedures in DoD 5100.76-M also apply to FMS transfers. Sensitive AA&E are items such as small arms weapons, various types of ammunition, explosives, and special items, such as night vision sights and goggles that pose a special danger to the public if they fall into the wrong hands.

**DoD 4100.39-M.** DoD 4100.39-M, “Federal Logistics Information System,” Volume 10, Table 61, November 2007, states that sensitive items are materiel that require a high degree of protection and control due to statutory requirements or regulations. It defines sensitive items as items of high value, highly technical or of a hazardous nature, and small arms, ammunition, explosives, and demolition material.

**DoD 5100.76-M.** DoD 5100.76-M, “Physical Security of Sensitive Conventional Arms, Ammunition, and Explosives,” August 12, 2000, defines sensitive conventional AA&E, and prescribes minimum standards and criteria for the physical security of DoD sensitive conventional AA&E, including non-nuclear missiles and rockets.

**DoD 5200.08-R.** “Physical Security Program,” April 9, 2007, implements DoD policies and minimum standards for the physical protection of DoD personnel, installations, operations, and related resources; to include the security of weapons systems and platforms.

**MNF-I FRAGO 08-302 [Iraqi Security Forces Night Vision Device Inventory], dated 031445CJUL08.** Directed an inventory of NVDs provided to the ISF, but only covered the Iraqi Army, not the various police organizations.

**MOD 1 to MNF-I FRAGO 08-246.** MOD 1 to MNF-I FRAGO 08-246 [MoD Radio and NVD Maintenance Transition], outlined a three-phased plan to facilitate the successful establishment of an operationally and logistically self-sufficient NVD repair capability. The FRAGO states that:

Phase one will be the transition of radio and NVD responsibilities from the United States Government (USG) to the Government of Iraq (GoI) – MoD. This phase involves transferring USG furnished equipment used to repair radios and NVDs to the MoD in order to make available the facilities, tools and test equipment necessary to perform radio and NVD repair functions. Phase two is to facilitate the establishment, improvement and expansion of the MoD radio and NVD repair capability and maintenance concept of support. Phase three is the tracking of radio and NVD repair. There will be an overlap between phases. Phases 1, 2 and 3 are currently ongoing. Phase 1 will end 01 Dec 08. Phase 2 will endure as long as Coalition advisors are assigned to support the MoD radio and NVD repair mission. Phase 3 began 31 May 08 and will continue until 01 Dec 08 or MoD radio and NVD repair capability reaches an acceptable readiness rating.

**MNSTC-I Memorandum, “Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures,” April 26, 2008.** This memorandum provided mandatory direction to all MNSTC-I personnel for the maintenance of materiel accountability through the process of acquisition, receipt, storage, and distribution up to and including the point of issue to the Government of Iraq. It also provided a basis for MNSTC-I trainers and mentors to advise and assist their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNF-I Memorandum, “Implementation of Multi-National Security Transition Command-Iraq (MNSTC-I) Logistics Accountability Standard Operating Procedures (SOP),” June 5, 2008.** This memorandum directed the implementation of the MNSTC-I Logistics Accountability SOP and directs all MNC-I elements to ensure consistent accountability standards across the supply chain in Iraq. The issuance of the MNSTC-I Logistics Accountability SOP provided a basis for MNC-I trainers working with ISF units to train and advise their Iraqi counterparts on the accountability of arms, ammunition, and other supplies.

**MNSTC-I Policy Statement #03-08. “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq,” March 24, 2008.** The policy statement requires that sensitive items, to include NVDs, will only be transferred to the ISF at TNSD or BPC, except under exceptional circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard.

**MNSTC-I Policy Statement #15-08, “Distribution and Issuance of Iraq Security Force Funds (ISFF) or Foreign Military Sales (FMS) Equipment to the Government of Iraq (Gol)” 3 July 2008.** This document is essentially a re-issue of Policy #03-08, signed by the new Commanding General. The policy statement requires that sensitive items, to include NVDs, will be transferred to the ISF only at TNSD or BPC under specific accountability and control circumstances. Until a joint Coalition-Iraqi serial number inventory is completed, the sensitive items must be kept under a 24-hour Coalition guard. Any exceptions to this policy must be approved by the MNSTC-I J4.

**MNSTC-I SAO Memorandum.** “Iraq Golden Sentry End-Use-Monitoring (EUM) SOP,” September 12, 2008. Directs the SAO Golden Sentry POC to establish liaison with the U.S. Embassy Blue Lantern representative to assist in establishing an end use monitoring program for sensitive items of equipment licensed by the State Department for export as a Direct Commercial Sale.

**Night Vision Device Memoranda of Agreement with the Ministry of Defense, Ministry of Interior, and the Counter Terrorism Bureau, dated September 30, 2008, October 2, 2008, and October 2, 2008, respectively.** Earlier versions of these memoranda existed for the MOD (November 2005) and MOI (November 2006). They have been recently updated, as noted above. A new Memorandum of Agreement was also established with the Counter Terrorism Bureau. These memoranda establish specific accountability, control, and physical security requirements for the NVDs transferred to the ISF. They also establish

reporting requirements and provide the basis for U.S. oversight. They also provide guidance on NVD destruction, loss, theft and demilitarization.



# Appendix F: Management Comments



REPLY TO  
ATTENTION OF:

DEPARTMENT OF THE ARMY  
HEADQUARTERS, U.S. ARMY MATERIEL COMMAND  
9301 CHAPEK ROAD  
FORT BELVOIR, VA 22060-5527

AMCIR

09 FEB 2009

MEMORANDUM FOR DODIG, ATTN: Mr. Stanley E. Meyer, 400 Army Navy Drive, Arlington, VA 22202-4704

SUBJECT: Command Comments – DODIG Draft Report, Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq (D2008-D000IG-0271.000) (D0842)

1. The U.S. Army Materiel Command (AMC) has reviewed the subject draft report and has enclosed specific comments to the two recommendations addressed to the Commander, AMC.
2. The point of contact for this action is Mr. Tilden Jio, commercial (703) 806-9021/ DSN: 656-9021, or [tilden.jio@conus.army.mil](mailto:tilden.jio@conus.army.mil).

A handwritten signature in black ink that reads "Kathryn A. Condon".

Encl

KATHRYN A. CONDON  
Executive Deputy to the  
Commanding General

Printed on Recycled Paper

**Command Reply**  
**DODIG Draft Report**  
**D2008-D000IG-0271.000**  
**Assessment of the Accountability of Night Vision Devices**  
**Provided to the Security Forces of Iraq**

**Observation 6: Iraqi Special Operations Forces Night Vision Devices (NVD)**

During a judgmental sample inventory at the Iraqi Special Operations Forces (ISOF) Brigade, it was determined that 167 AN/PVS-14 and 16 AN/PVS-7 NVDs were not properly accounted for in Multi-National Security Transition Command – Iraq (MNSTC-I) records. In the case of the AN/PVS-14s, MNSTC-I had no record of procuring them.

Forty-one of the 167 AN/PVS-14 NVDs were still on the Combined Joint Special Operations Task Force-Arabian Peninsula property books.

It is possible that there are more AN/PVS-7 NVDs in the ISOF inventory that MNSTC-I has not accounted for since the judgmental sample only included 194 of ISOF's 755 AN/PVS-7s on-hand at the ISOF Brigade.

Several NVDs in the ISOF inventory were determined to exceed the maximum capability (1250 Figure of Merit [FOM]) authorized for export to Iraq.

This apparently occurred because U.S. Special Forces personnel had transferred NVDs directly to their Iraqi counterparts or had replaced tubes on unserviceable NVDs. In some instances, the proper documentation of these transactions and coordination with MNSTC-I has not occurred. Nor were the U.S. Special Forces personnel mindful of the export ceiling on NVD FOM for Iraq.

**Recommendation 6.e.** We recommend that the Commander, Army Materiel Command, in coordination with the Defense Technology Security Administration and the Multi-National Security Transition Command–Iraq:

(1) Determine if any of the remaining AN/PVS-7 and AN/PVS-14 night vision devices in the Iraqi Special Operation Forces exceed the capability authorized for export to Iraq.

**Command Reply:** Concur. The Army Materiel Command can support this effort through in-country Logistics Assistance Representatives since any complete inspection should coincide with the End Use Monitoring requirement for full serial number accountability performed by MNSTC-I. These inspections of NVDs would include removal of intensifier tubes and recording of serial numbers to determine the Generation and FOM of each tube on the spot or at a later date.

Enclosure 1 of 2

(2) Develop a plan to replace any tubes and/or night vision devices found in the Iraqi Special Operations Forces that exceed the capability authorized for export to Iraq.

**Command Reply:** Concur. Any devices with tubes exceeding the prescribed level should be segregated from other devices and sent to a facility in country for replacement. An FMS case for procurement of replacement tubes will need to be created, likely with MNSTC-I funding. Cross-leveling of acceptable tubes among devices should minimize the number of devices remaining inoperative while new tubes are procured, assuming other non-conforming NVDs are discovered during the inspection process.

Enclosure <sup>2</sup> of 2



DEFENSE TECHNOLOGY SECURITY ADMINISTRATION  
2900 DEFENSE PENTAGON  
WASHINGTON, D.C. 20301-2900

FEB 12 2009

Mr. Kenneth P. Moorefield  
Assistant Inspector General  
Special Plans and Operations  
Office of the Inspector General  
Department of Defense  
400 Army Navy Drive  
Arlington, Virginia 22202

Dear Mr. Moorefield:

This is in response to your draft report, dated January 7, 2009, requesting comments on OIG Project No. D2008-D000IG-0271, "Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq."

DTSA does not concur with recommendation 5.e as written because DTSA is not responsible for DoD policy for end-use monitoring (EUM). In September 2001, the Undersecretary of Defense for Policy designated the Defense Security Cooperation Agency (DSCA) as the lead agency responsible for administering DoD's EUM program. As such, DSCA formulates policy and oversees EUM compliance concerning defense articles sold or transferred through programs like Foreign Military Sales (FMS), for which DoD has program management responsibility. DoD does not establish policy or execute any EUM responsibilities with regard to direct commercial sales, which, by law, are a responsibility of the Department of State. The Department of State is responsible for determining EUM compliance for defense articles and services transferred via direct commercial sales (DCS) through its Blue Lantern EUM program. We will ensure that State is aware of the recommendation to strengthen EUM on NVDs transferred via DCS and receives a copy of the final version of the report.

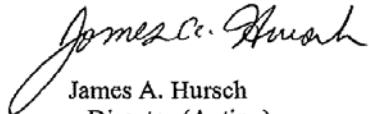
We are currently updating DoD's policy regarding international transfers and exports of night vision systems, equipment, components, services, technical data and related technology. This update should help enhance our ability to ensure protection of critical night vision systems capabilities while improving our review and transfer process. This update will also include DSCA's role in developing EUM policy and enforcing the necessary control measures for routine and enhanced monitoring to ensure adequate protection of night vision systems and related technology transferred under government-to-government agreements.



DTSA recommends the IG work with DSCA to redraft the recommendation, consistent with formal responsibilities for end-use monitoring.

If you have any further questions, please contact Oksana Nesterczuk, oksana.nesterczuk@dtsa.mil, or 703-325-3635.

Sincerely,



James A. Hursch  
Director (Acting),  
Defense Technology  
Security Administration

cc:

Peter Cornell, Building Partnership Capacity, DSCA

IG



COMPTROLLER

UNDER SECRETARY OF DEFENSE  
1100 DEFENSE PENTAGON  
WASHINGTON, DC 20301-1100

FEB 6 2009

MEMORANDUM FOR DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Report on the Assessment of the Accountability of Night Vision Devices  
Provided to the Security Forces of (Project No. D2008-D000IG-0271,000)

We appreciate the opportunity to provide comments concerning recommendation 8.b of the above referenced report, which recommends that the Under Secretary of Defense (Comptroller) consider whether the circumstances of use of an Iraq Security Forces Fund (ISFF) appropriation to procure Night Vision Devices (NVD) for Iraqi Special Operations Forces (ISOF) potentially violated the Antideficiency Act. We have considered the circumstances and conclude that an Antideficiency Act violation could not result from misdirection to U.S. Special Forces of NVDs procured for ISOFs with ISFF monies.

The draft report identifies a lack of Multi-National Security Transition Command-Iraq internal controls for property as the reason for the misdirection of property acquired for the ISOFs. The draft report also concludes that the original purchase of the NVDs appears consistent with congressional intent. We have been informally advised by the Office of the DoD General Counsel (Fiscal) that misdirection of items procured for a proper purpose would not give rise to violation of the Antideficiency Act.

We non-concur with the recommendation 8.b that this office consider this matter in the context of the Antideficiency Act. We recommend that any alternative recommendation focus on internal controls of the requiring activity, which the report identifies as the cause of the misdirection.

*Michael McCord*

Michael McCord  
Acting



UNITED STATES CENTRAL COMMAND  
OFFICE OF THE CHIEF OF STAFF  
7115 SOUTH BOUNDARY BOULEVARD  
MACDILL AIR FORCE BASE, FLORIDA 33621-5101

5 Feb 2009

TO: DEPARTMENT OF DEFENSE INSPECTOR GENERAL

SUBJECT: Review of DODIG Draft Report "Assessment of Accountability of Night Vision Devices provided to the Security Forces of Iraq". (D2008-D000IG-0271.000).

1. The MNF-I response, which includes MNC-I comments, and the MNSTC-I response to the draft report recommendations is attached.
2. POC is LTC Steve Davis, Phone: (813) 827-6660; DSN 651-6328, e-mail: [davissa@centcom.mil](mailto:davissa@centcom.mil),

*Jay W. Hood*  
JAY W. HOOD,  
Major General, U.S. Army

Attachments:

TAB A: MNF-I Response  
TAB B: MNSTC-I Response

**DODIG DRAFT REPORT – DATED 25 January 2009  
D2008-D0001G-0271.000**

**“Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq”**

**MNF-I  
COMMENTS  
TO THE DRAFT REPORT**

1. We recommend that the Commander, Multi-National Force-Iraq, in coordination with Multi-National Corps-Iraq and Multi-National Security Transition Command-Iraq:

**Paragraph 1.a**

Complete the baseline inventory of night vision devices transferred to the Iraqi Security Forces by issuing further guidance directing U.S. mentors/trainers/advisers to inventory (by unit, device type, and serial number) all night vision devices in the Iraqi Security Forces, regardless of country of origin. This includes all Iraqi military units, police organizations, and Counter Terrorism/Special Operations Forces units.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq has published an order directing all MND, MNF CJSOTF-AP and separate unit commanders to inventory all night vision devices. This includes all Iraqi military units, police organizations, and Counter Terrorism/Special Operations Forces units. The inventory will record by unit, device type, and serial number for all night vision devices in the Iraqi Security Forces, regardless of country of origin.

**Paragraph 1.b**

Reconcile night vision device serial number data from the following sources:

- On-hand inventory from Abu Ghraib warehouse, Taji National Supply Depot, Baghdad Police College, and the Location Commands.
- Updates from the Iraqi Joint Headquarters Combined Logistics Operations Center.
- Inventory records from the Ministry of Defense, Ministry of Interior, and Counter Terrorism Bureau Night Vision Device Program Managers.
- Department of State export license issuances (provided by the Department of Defense Inspector General Night Vision Device Assessment Team).

**MNC-I Response:**

Upon completion of the inventory of all night vision devices, Multi-National Corps-Iraq will partner with MNSTC-I to conduct an NVD serial number reconciliation.

**Paragraph 1.c**

We recommend that the Commander, Multi-National Security Transition Command-Iraq, in coordination with the Director, Defense Security Cooperation Agency, implement the provisions of “Directive-Type Memorandum (DTM) 08-041 – Registration and Monitoring of Defense Articles and Services Provided to Iraq,” September 25, 2008, to include the establishment of a monitoring system for controlling the export and transfer of defense articles to the Government of Iraq and/or other groups, organizations, citizens, or residents of Iraq, as defined within Directive-Type Memorandum (DTM) 08-041. The monitoring system should be made applicable to NVD’s and other defense articles transferred through:

- Formal Foreign Military Sales programs.
- Pseudo-Foreign Military Sales programs.
- Procurement using Iraqi Security Forces Fund or other appropriated funding and not through formal or pseudo-Foreign Military Sales programs.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 2.a**

Ensure that assigned personnel adhere to published policy statements and standard operating procedures regarding the shipment, accountability, and control of sensitive items being transferred to the Iraqi Security Forces, to include night vision devices.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 2.b**

Establish a procedure to familiarize all newly assigned personnel with published policy statements and standard operating procedures regarding the shipment, accountability, and control of sensitive items being transferred to the Iraqi Security Forces,

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 3**

We recommend that the Commander, Multi-National Force-Iraq, in coordination with the Commander, Multi-National Corps-Iraq and the Commander, Multi-National Security Transition Command-Iraq, assist and mentor Iraq Ministry and Iraqi Security Forces counterparts to develop and implement policies and standard operating procedures for NVD accountability and control.

**MNC-I Response:**

The Commander Multi-National Corps-Iraq, has established Iraqi self-sustainment as a top priority as set forth in MNC-I Operations Order 09-01 [Iraqi Sustainment Development Plan]. Significant continuing efforts are ongoing to assist and mentor Iraq Ministry and Iraqi Security Forces counterparts to develop and implement policies and standard operating procedures for NVD accountability and control. These efforts take the form of codifying logistics processes across all levels in the Iraqi Security Forces. The approval and codification of these policies and procedures include inventory controls for serialized items such as NVDs.

**Paragraph 4.a**

We recommend that the Commander, Multi-National Security Transition Command-Iraq, in coordination with the Ministry of Defense, Ministry of Interior and Counter Terrorism Bureau, establish a maintenance capability for Iraqi Security Forces night vision devices.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq fully supports the efforts and directions set forth in MNF-I FRAGO 08-246. The FRAGO outlined a three-phased plan to facilitate the successful establishment of an operational and logistically self-sufficient

NVD repair capability. Phase one was the transition of radio and NVD responsibilities for the United States Government (USG) to the Government of Iraq (GOI). Phase 2 facilitates the establishment, improvement and expansion of the MoD radio and NVD repair capability and maintenance concept of support. Phase 2 will endure as long as Coalition advisors are assigned to support the MoD radio and NVD repair mission. Phase 3 is the tracking of radio and NVD repair. Phase 3 began on 31 May 08 and will continue until 01 December 08 or MoD radio and NVD repair capability reaches an acceptable readiness rating.

**Paragraph 4.b**

We recommend that the Commander, Multi-National Force-Iraq, in coordination with Commander, Multi-National Corps-Iraq and Commander, Multi-National Security Transition Command-Iraq, assist and mentor their counterparts in the Ministry of Defense, Ministry of Interior and Counter Terrorism Bureau in developing written policy and standard operating procedures for the repair or final administrative disposition of damaged night vision devices.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq fully supports the efforts and directions set for the in MNF-I FRAGO 08-246. The FRAGO outlined a three-phased plan to facilitate the successful establishment of an operational and logically self-sufficient NVD repair capability. Phase one was the transition of radio and NVD responsibilities from the United States Government (USG) to the Government of Iraq (GOI). Phase 2 facilitates the establishment, improvement and expansion of the MoD radio and NVD repair capability and maintenance concept of support. Phase 2 will endure as long as Coalition advisors are assigned to support the MoD radio and NVD repair mission. Phase 3 is the tracking of radio and NVD repair. Phase 3 began on 31 May 08 and will continue until 01 December 08 or MoD radio and NVD repair capability reaches an acceptable readiness rating.

**Paragraph 5.a**

Ensure all Night Vision Device serial numbers from the completed baseline inventory are entered into a Night Vision Device database for routine End Use Monitoring under the Blue Lantern program, less those procured through actual Foreign Military Sales or pseudo-Foreign Military Sales case procedures.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 5.b**

Determine which night vision devices from the recommendation 5.a. database are Generation II and/or have a Figure of Merit of 689 or higher and enter their serial numbers into the Defense Security Cooperation Administration Security Cooperation Information Portal database for routine End Use Monitoring under the Blue Lantern Program.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 5.c**

Document and coordinate these procedures in Internal Multi-National Security Transition Command-Iraq Standard Operating Procedures. (See Recommendation

6.a: Multi-National Security Transition Command-Iraq J4 Logistics Accountability Standard Operating Procedures.)

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 5.d**

Use the Foreign Military Sales process for all future night vision device purchases, whether the funds come from the Iraqi Security Forces Fund or the Government of Iraq.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 6.a**

In coordination with Multi-National Security Transition Command-Iraq and the Combined Joint Special Operations Task Force, determine the origin of the AN/PVS-14 Night Vision Devices in the ISOF inventory and how they were transferred to the custody of the Iraq Special Operations Forces.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq has published an order directing the Commander, CJSGTF-AP to determine the origin of the AN/PVS-14 Night Vision Devices in the ISOF inventory. The Commander CJSGTF-AP has been directed to adjust the property records accordingly to reflect the custody transfer of the NVDs to the Iraq Special Operations Forces.

**Paragraph 6.b**

In coordination with U.S. Central Command and U.S. Special Operations Command, consider restricting the Combined Joint Special Operations Task Force-Arabian Peninsula from further transfer of sensitive items, to include night vision devices, to the Iraq Special Operations Forces. If it becomes necessary on an exceptional basis to make such a transfer, ensure the capabilities of the Night Vision Devices do not exceed that capability which is authorized for export to Iraq and that any such transfer is coordinated with Multi-National Security Transition Command-Iraq so that it can capture serial numbers and appropriately monitor the Night Vision Devices.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation. If it becomes necessary on an exceptional basis to make such a transfer, MNC-I will ensure the capabilities of the Night Vision Devices do not exceed that capability which is authorized for export to Iraq and that any such transfer is coordinated with Multi-National Security Transition Command-Iraq so that it can capture serial numbers and appropriately monitor the Night Vision Devices.

**Paragraph 6.d**

We recommend that the Commander, Multi-National Security Transition Command-Iraq conduct another one hundred percent inventory of the night vision devices held by the Iraq Special Operations Forces.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq does not concur with this recommendation. ISOF conducts a 100 percent serial number inventory upon receipt

of any NVDs in order to add them to ISOF unit records. Monthly inventories are conducted thereafter. Further, there was a 100 percent serial number match with ISOF records when the DODIG conducted an inventory of 194 NVDs for this report.

**Paragraph 7.a**

We recommend that the Commander, Multi-National Security Transition Command-Iraq revise its J4 Logistics Accountability Standard Operating Procedures to incorporate the Security Assistance Office, "Iraq Golden Sentry End-Use Monitoring SOP," and to include pseudo Foreign Military Sales case definitions, procedures, roles, and responsibilities.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 7.b. (1)**

We recommend that the Commander, MNF-I: Issue a directive requiring that Multi-National Corps-Iraq Military Training Teams and police trainers follow the revised Multi-National Security Transition Command-Iraq Logistics Accountability Standard Operating Procedures (recommendation 13.a) regarding transfer and accountability of equipment to the Iraqi Security Forces, to include sensitive items, such as Night Vision Devices.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

**Paragraph 7.b. (2)**

We recommend that the Commander, MNF-I: Issue a directive requiring that Multi-National Corps-Iraq Military Training Teams and police trainers assist the Multi-National Security Transition Command-Iraq J4 and Security Assistance Office to conduct routine End Use Monitoring for sensitive items under the Blue Lantern Program and Enhanced End Use Monitoring for sensitive items under the Golden Sentry Program.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation. However, it is worth noting partnering efforts with the Iraqi police will continue only until Iraqi police capability reaches an acceptable readiness rating. At that time, responsibility to conduct routine End Use Monitoring for sensitive items under the Blue Lantern Program and Enhanced End Use Monitoring for sensitive items under the Golden Sentry Program will ultimately transition to the Iraqi Ministry of Interior.

**Paragraph 9**

We recommend that Commander, Multi-National Security Transition Command-Iraq develop and implement a plan to transition accountability and control over all classes of supply at Kirkuk Military Training Base Location Command-Including NVD's-to the Iraqi Army.

**MNC-I Response:**

The Commander, Multi-National Corps-Iraq concurs with this recommendation.

APPROVED BY:  
E. F. DORMAN, III  
COL, USA  
MNC-I C4

PREPARED BY:  
C. A. LEWANDOWSKI  
Major, USMC  
ISF Sup Ops, 485-6004



REPLY TO  
ATTENTION OF:

MULTI-NATIONAL SECURITY TRANSITION COMMAND-IRAQ  
BAGHDAD, IRAQ  
APO AE 09348

MNSTC-I-CoS

31 Jan 2009

MEMORANDUM FOR: Department of Defense Inspector General

SUBJECT: Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq (*Project No. D2008-D000IG-0271.000*)

1. This memorandum provides the Multi-National Security Transition Command-Iraq (MNSTC-I) response to the subject assessment.
2. MNSTC-I concurs with the 11 recommendations in the report with one partial non-concurrence. See the enclosure for our comments.
3. We appreciate your assessment of the subject project. Thank you for the opportunity to provide written comments for incorporation in the final report.
4. If you have any question please contact LTC Yong Cassle at DSN 318-852-1359 or email [yong.cassle@iraq.centcom.mil](mailto:yong.cassle@iraq.centcom.mil).

Encl

A handwritten signature in black ink, appearing to read "Randy A. Buhidar".

RANDY A. BUHIDAR  
COL, USA  
Chief of Staff

**DRAFT REPORT - DATED 7 January, 2009**  
**"Assessment of the Accountability of Night Vision Devices Provided to the Security Forces of Iraq"**

**MULTI NATIONAL SECURITY TRANSITION COMMAND - IRAQ**  
**COMMENTS TO THE DRAFT REPORT**  
**31 January, 2009**

**Paragraph 1.c**

We recommend that the Commander, Multi-National Security Transition Command-Iraq, in coordination with the Director, Defense Security Cooperation Agency, implement the provisions of "Directive-Type Memorandum (DTM) 08-041 - Registration and Monitoring of Defense Articles and Services Provided to Iraq," September 25, 2008, to include the establishment of a monitoring system for controlling the export and transfer of defense articles to the Government of Iraq and/or other groups, organizations, citizens, or residents of Iraq, as defined within Directive-Type Memorandum (DTM) 08-041. The monitoring system should be made applicable to NVD's and other defense articles transferred through:

- Formal Foreign Military Sales programs.
- Pseudo-Foreign Military Sales programs.
- Procurement using Iraqi Security Forces Fund or other appropriated funding and not through formal or pseudo-Foreign Military Sales programs.

MNSTC-I Response: Concur.

MNSTC-I has implemented the provisions of "Directive-Type Memorandum (DTM) 08-041 - Registration and Monitoring of Defense Articles and Services Provided to Iraq". The first required quarterly report was sent to the Defense Security Cooperation Agency on December 31, 2008. A quarterly update of MNSTC-I's Accountability Standard Operating Procedures (SOP) are in progress and will be completed by February 2009. This SOP will add the appropriate requirements contained in the above directive. The Accountability SOP will require quarterly reporting of all defense articles transferred to the GoI from formal and pseudo FMS procurement processes, and ISFF purchases, as well as, other appropriated funding.

**Paragraph 2.a**

Ensure that assigned personnel adhere to published policy statements and standard operating procedures regarding the shipment, accountability, and control of sensitive items being transferred to the Iraqi Security Forces, to include night vision devices.

MNSTC-I Response: Concur.

The most recent MNSTC-I Accountability SOP dated October 2008 will be re-issued to each potential NVD issue location: 1) Location Command (LC) Al Kasik, 2) LC Numaniyah, 3) LC Habbaniyah, 4) LC Taji, 5) LC Kirkush, 6) Baghdad Police College, 7) Besmiyah, National Training University, and 8) the Air Force Training School. Liaison Officers and Logistics Military Advisory Team (LMAT) members will review and become familiar with the new SOP to ensure strict compliance. In order to overcome the challenge of constant turnover of personnel, MNSTC-I will re-promulgate the SOP to all personnel each quarter when it is updated.

**Paragraph 2.b**

Establish a procedure to familiarize all newly assigned personnel with published policy statements and standard operating procedures regarding the shipment, accountability, and control of sensitive items being transferred to the Iraqi Security Forces.

MNSTC-I Response: Concur.

We will apply the same implementation method as Recommendation 2.a. to comply with this recommendation.

**Paragraph 4.a**

We recommend that the Commander, Multi-National Security Transition Command-Iraq, in coordination with the Ministry of Defense, Ministry of Interior and Counter Terrorism Bureau, establish a maintenance capability for Iraqi Security Forces night vision devices.

MNSTC-I Response: Concur.

MNSTC-I has completed a statement of work for contract provision of NVD repair at Taji. Access to required facilities has been approved by the GoI and the contract proposal from AECOM is expected by February 12, 2009. This is a reintroduction of this maintenance capability - the GoI did not provide manpower or repair parts capability to keep the first maintenance facility open.

**Paragraph 5.a**

Ensure all Night Vision Device serial numbers from the completed baseline inventory are entered into a Night Vision Device database for routine End Use Monitoring (EUM) under the Blue Lantern program, less those procured through actual Foreign Military Sales or pseudo-Foreign Military Sales case procedures.

MNSTC-I Response: Concur.

Inventories of NVDs in the Taji National Depot were conducted on August 7, 2008, Abu Ghraib Warehouse on August 10, 2008, and Baghdad Police College during November 2008. During the inventory, all GEN II, or higher level, NVD serial numbers were entered in the Serial Number Database maintained in the MNSTC-I J-4 Accountability Section, and the data is available for end user monitoring by our Security Assistance Office. MNSTC-I will continue to reconcile all data pertaining to all GEN II, or higher level, NVDs purchased.

**Paragraph 5.b**

Determine which night vision devices from the recommendation 5.a. database are Generation II and/or have a Figure of Merit of 689 or higher and enter their serial numbers into the Defense Security Cooperation Administration Security Cooperation Information Portal database for routine End Use Monitoring under the Blue Lantern Program.

MNSTC-I Response: Concur.

All serial numbers of GEN II, or higher level, NVDs are currently being entered into the Security Cooperation Information Portal (SCIP) database maintained by our Security Assistance Office.

**Paragraph 5.c**

Document and coordinate these procedures in Internal Multi-National Security Transition Command-Iraq Standard Operating Procedures. (See Recommendation 6.a: Multi-National Security Transition Command-Iraq J4 Logistics Accountability Standard Operating Procedures.)

MNSTC-I Response: Concur

MNSTC-I is currently working to establish a joint Memorandum of Agreement with Iraq's Ministry of Defense (MoD), Ministry of Interior (MoI), and the Counter Terrorism Bureau (CTB) to codify NVD accountability procedures. As of January 25, 2008, agreements with the MoI and CTB were signed. The MoD agreement is under review by the Minister of Defense. A copy of these draft MOA's have been provided to the DoDIG in MNSTC-I's response to the final report on "Assessment of Arms, Ammunition, and Explosives Accountability and Control; Security Assistance; and Sustainment for the Iraq National Security Forces" (Report No. SPO-2009-002).

The MNSTC-I J-4 will incorporate these codified procedures in the January 31, 2009 update of our Accountability (SOP).

**Paragraph 5.d**

Use the Foreign Military Sales process for all future night vision device purchases, whether the funds come from the Iraqi Security Forces Fund or the Government of Iraq.

MNSTC-I Response: Conditional Concur.

MNSTC-I will encourage the GoI to use the FMS process for purchases of all future NVDs, but we cannot compel them to purchase through the FMS vehicle. If the funding source is US controlled ISFF, then procurement will be via FMS. MNSTC-I will generate a FRAGO, as well as, a CG level policy letter to meet this intent.

**Paragraph 6.d**

We recommend that the Commander, Multi-National Security Transition Command-Iraq conduct another one hundred percent inventory of the night vision devices held by the Iraq Special Operations Forces.

MNSTC-I Response: Concur.

A 100% inventory of NVDs issued to Iraq Special Operations Forces will be conducted on February 28, 2009.

**Paragraph 7.a**

We recommend that the Commander, Multi-National Security Transition Command-Iraq revise its J4 Logistics Accountability Standard Operating Procedures to incorporate the Security Assistance Office, "Iraq Golden Sentry End-Use Monitoring SOP," and to include pseudo Foreign Military Sales case definitions, procedures, roles, and responsibilities.

MNSTC-I Response: Concur

MNSTC-I J4 is coordinating with the Security Assistance Office to incorporate EUM definitions, roles, responsibilities, and procedures, of pseudo FMS items into the January 31, 2009 revision of the J-4 Accountability.

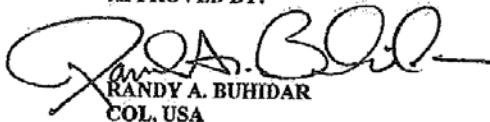
**Paragraph 9**

We recommend that Commander, Multi-National Security Transition Command-Iraq develop and implement a plan to transition accountability and control over all classes of supply at Kirkush Military Training Base Location Command—including NVD's—to the Iraqi Army.

MNSTC-I Response: Concur.

MNSTC-I's Logistics Military Advisory Teams (LMAT) have taken steps to prepare Kirkush Military Base Location Command to accept responsibility and accountability of all classes of supplies. Specifically regarding NVDs, MNSTC-I and the Iraqi Army (IA) have developed written procedures for the transfer and accounting of Night Vision Devices. The procedures are outlined in "Memorandum of Agreement between Iraqi Ministry of Defense and Multi-National Security Transition Command-Iraq for Enhanced End Use Monitoring of Night Vision Devices" dated September 30, 2008. Regarding other classes of supplies, the inventory of Class II, Class VII (Vehicles, Weapons) and Sensitive items (NVG, GPS units) inventories are complete, and IA Form 102s for transfer of responsibility are awaiting the LC Commander's signature. Kirkush Location Commander was directed in December 2008 by the Deputy Chief of Staff, Location Commands Director, SMG Abbass, to assume responsibility for the ISFF purchased equipment from the Kirkush LMAT effective January 31, 2009. MNSTC-I will continue to monitor until transfer of responsibility and control of all classes of supply is completed.

**APPROVED BY:**



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\*Recipient of the draft report

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\*Recipient of the draft report

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# Inspector General Department *of* Defense

